

ICOP DIGITAL, INC
Form SC 13D/A
September 30, 2005

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No.)*

ICOP, Digital, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

44930M203

(CUSIP Number)

Isaac W. Jameson
Paulson Investment Company, Inc.
811 SW Naito Parkway, Suite 200
Portland, OR 97204
(503) 243-6000

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

September 01, 2005

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ()

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See 240.13d-7 for other parties to whom copies are to be sent.

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* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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SCHEDULE 13D
CUSIP No. 44930M203

1.	Names of Reporting Persons. Chester L.F. Paulson and Jacqueline M. Paulson, as joint tenants I.R.S. Identification No.
2.	Check the Appropriate Box if a Member of a Group* (a.) <input type="checkbox"/> (b.) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	Source of Funds* PF OO
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to items 2(d) or 2(e) <input type="checkbox"/>
6.	Citizenship or Place of Organization United States of America
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power 200,000
	8. Shared Voting Power 875,100
	9. Sole Dispositive Power 200,000
	10. Shared Dispositive Power 875,100
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 1,075,100
12.	Check if the Aggregate Amount Represented by Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="checkbox"/>
13.	Percent of Class Represented by Amount in Row (11)

14.	Type of Reporting Person	IN
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Chester L.F. and Jacqueline M. Paulson (together the "Paulsons") may be deemed to control Paulson Capital Corp. ("PLCC"), which wholly owns Paulson Investment Company, Inc. ("PICI"). The Paulsons control and are the sole and equal members of the Paulson Family, LLC ("LLC"), which is a controlling shareholder of PLCC, which is the parent company of PICI.

SCHEDULE 13D
CUSIP No. 44930M203

1.	Names of Reporting Persons. Paulson Capital Corp. I.R.S. Identification No. 93-0589534
2.	Check the Appropriate Box if a Member of a Group* (a.) <input type="checkbox"/> (b.) <input checked="" type="checkbox"/>
3.	SEC USE ONLY
4.	Source of Funds* WC OO
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to items 2(d) or 2(e) <input type="checkbox"/>
6.	Citizenship or Place of Organization United States of America
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power 0
	8. Shared Voting Power 875,100
	9. Sole Dispositive Power 0
	10. Shared Dispositive Power 875,100
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 875,100
12.	Check if the Aggregate Amount Represented by Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="checkbox"/>
13.	Percent of Class Represented by Amount in Row (11) 17.31

14. Type of Reporting Person
CO BD

Paulson Capital Corp. ("PLCC") wholly owns Paulson Investment Company, Inc. ("PICI"). PLCC is a corporation and PICI is a broker-dealer

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Item 1. Security and Issuer

This Schedule 13D (this "Schedule") relates to shares of common stock (the "Issuer Common Stock"), of ICOP Digital, Inc., a Colorado corporation (the "Company"). The principal executive offices of the Company are located at 16801 West 116th Street, KS 66219.

Item 2. Identity and Background.

- (a) Name: This statement is being filed jointly by each of the following person pursuant to Rule 13d-1(k) promulgated by the Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, as amended: (i) Chester L.F. and Jacqueline M. Paulson, as joint tenants and each individually (together, the "Paulsons"); and (ii) Paulson Capital Corporation, an Oregon Corporation ("PLCC"), which directly wholly owns Paulson Investment Company, Inc., an Oregon corporation and registered broker-dealer ("PICI"). The Paulsons and PLCC are collectively referred to as the "Reporting Persons".

Information with respect to the Reporting Persons is given solely by such Reporting Person, and no Reporting Person assumes responsibility for the accuracy or completeness of the information by another Reporting Person, except as otherwise provided in Rule 13d-1(k) of the Act. By their signature on this statement, each of the Reporting Persons agree that this statement is filed on behalf of such Reporting Person.

- (b) Residence or business address: The Paulsons, PLCC's, and PICI's principal business address is:

811 SW Naito Parkway, Suite 200
Portland, Oregon 97204

- (c) Present Principal Occupation or Employment: Chester L.F. Paulson is Chairman of the Board of PLCC and PICI. Jacqueline M. Paulson is Corporate Secretary/Treasurer of PLCC and PICI.

- (d) Criminal Conviction: To the best of their knowledge, during the last five years none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).

- (e) Court or Administrative Proceedings: To the best of their knowledge, during the last five years none of the Reporting Persons has been a party to a civil proceeding of a jurisdiction or administrative body of competent jurisdiction and as a result of such proceeding was, or is, subject to a judgement, decree or final order enjoining future violations of, or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

- (f) Citizenship: The Paulsons are citizens of the United States of America, and PLCC and PICI are organized under the laws of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration:

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On July 11, 2005, PICI bought 60,000 shares of Issuer Common Stock in the open market. On July 11, 2005, PICI bought 145,000 Issuer Units (each unit consists of two (2) shares of Issuer Common Stock and two (2) shares of Issuer Warrants) in the open market. On July 12, 2005, PICI bought 27,000 Issuer Units (each unit consists of two (2) shares of Issuer Common Stock and two (2) shares of Issuer Warrants) in the open market. On July 13, 2005, PICI bought 26,200 Issuer Units (each unit consists of two (2) shares of Issuer Common Stock and two (2) shares of Issuer Warrants) in the open market. On July 25, 2005, the Paulsons bought 50,000 Issuer Units (each unit consists of two (2) shares of Issuer Common Stock and two (2) shares of Issuer Warrants) in the open market. On August 23, 2005, the LLC bought 6,000 shares of Issuer Common Stock in the open market. On August 24, 2005, the LLC bought 16,300 shares of Issuer Common Stock in the open market.

Item 4. Purpose of Transaction

State the purpose or purposes of the acquisition of securities of the issuer. Describe any plans or proposals which the reporting persons may have which relate to or would result in:

The Reporting Persons acquired shares of Common Stock and Warrants for investment purposes. The Reporting Persons have no existing plans or proposals that include or may result in:

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- (a) The acquisition by any person of additional securities of the issuer, or the disposition of securities of the issuer;
- (b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the issuer or any of its subsidiaries;
- (c) A sale or transfer of a material amount of assets of the issuer or any of its subsidiaries;
- (d) Any change in the present board of directors or management of the issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- (e) Any material change in the present capitalization or dividend policy of the issuer;
- (f) Any other material change in the issuer's business or corporate structure including but not limited to, if the issuer is a registered closed-end investment company, any plans or proposals to make any changes in its investment policy for which a vote is required by section 13 of the Investment Company Act of 1940;
- (g) Changes in the issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the issuer by any person;
- (h) Causing a class of securities of the issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- (i) A class of equity securities of the issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or
- (j) Any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer.

- (a) Chester L.F. Paulson directly beneficially owns zero (0) shares of Issuer Common Stock and zero (0) Issuer Warrants. The Paulsons directly beneficially own 100,000 shares of Issuer Common Stock and 100,000 Issuer Warrants. Through their relationship with the LLC, the Paulsons may be deemed to beneficially own 22,300 shares of Issuer Common Stock. Through their relationship with PLCC and PICI, the Paulsons may be deemed to beneficially own the Issuer Common Stock and Issuer Warrants to purchase Issuer Common Stock that are indirectly beneficially owned by PLCC through PICI. Chester L.F. Paulson's direct beneficial ownership, together with the shares that the Paulsons may be deemed to beneficially own through their relationship with PLCC and PICI, constitutes 20.85% of the 4,658,862 shares of Common Stock Issued and Outstanding as of August 12, 2005, as reported in the Issuer's 10QSB filed with the

SEC on August 15, 2005.

PICI directly beneficially owns 456,400 shares of Issuer Common Stock and 396,400 Issuer Warrants. Because PLCC directly wholly owns PICI, it may be deemed to beneficially own the Issuer Common Stock and Issuer Warrants to purchase Issuer Common Stock that are directly beneficially owned by PICI. PLCC's direct and indirect beneficial ownership constitutes 17.31% of the 4,658,862 shares of Common Stock Issued and Outstanding as of August 12, 2005 as reported in the Issuers Form 10QSB filed with the SEC on August 15, 2005.

Pursuant to Rule 13d-4, the Paulsons expressly disclaim beneficial ownership of the 478,700 shares of Issuer Common Stock and 396,400 Issuer Warrants of which PICI and the LLC is record owner.

- (b)
- (i) Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by the Paulsons, the Paulsons have sole power to vote or direct the vote of 200,000 shares. Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by PLCC, PLCC has sole power to vote or direct the vote of 0 shares.
 - (ii) Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by the Paulsons, the Paulsons have shared power to vote or direct the vote of 875,100 shares. Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by PLCC, PLCC has shared power to vote or direct the vote of 875,100 shares.
 - (iii) Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by the Paulsons, the Paulsons have sole power to dispose or direct the disposition of 200,000 shares. Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by PLCC, PLCC has sole power to dispose or direct the disposition of 0 shares.
 - (iv) Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by the Paulsons, the Paulsons have shared power to dispose or direct the disposition of 875,100 shares. Of the total amount of shares that are either beneficially owned or that may be deemed to be beneficially owned by PLCC, PLCC has shared power to dispose or direct the disposition of 875,100 shares.

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(c) All the following transactions were executed in the open market:

Transaction Date	Shares or Units Purchased (Sold)	Price per Share or Unit
July 11, 2005	60,000 Common Stock	\$4.30
July 11, 2005	30,000 Units	\$8.98
July 11, 2005	115,000 Units	\$8.75
July 12, 2005	27,000 Units	\$9.00
July 13, 2005	26,200 Units	\$8.85
July 25, 2005	50,000 Units	\$9.10
August 23, 2005	6,000 Common Stock	\$3.45
August 24, 2005	16,300 Common Stock	\$3.71

(d) Not Applicable

(e) Not Applicable

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The Reporting Persons have entered into a Joint Filing and Consent Agreement dated as of January 13, 2005. Pursuant to such agreement, each member of the Reporting Persons has agreed to file jointly, and update reports pursuant to Section 13(d) or Section 13(g) of the Securities Exchange Act of 1934, as amended ("Section 13 Reports") with respect to the Common Stock.

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Item 7. Material to be Filed as Exhibits.

Joint Filing Agreement dated as of January 13, 2005, by and among Paulson Capital Corp., Paulson Investment Company, Inc., Chester L.F. Paulson and Jacqueline M. Paulson.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 14, 2005

Paulson Capital Corp.

By: /s/ Chester L.F. Paulson

Chester L.F. Paulson
Title: Chairman of the Board

Chester L.F. Paulson

By: /s/ Chester L.F. Paulson

Chester L.F. Paulson
Title: Individually

Jacqueline M. Paulson

By: /s/ Jacqueline M. Paulson

Jacqueline M. Paulson
Title: Individually