

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>KNOWLEDGE CAPITAL INVESTMENT GROUP</u>  (Last) (First) (Middle) 3232 MCKINNEY AVENUE SUITE 890  (Street) DALLAS TX 75204  (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>FRANKLIN COVEY CO [ FC ]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) <input type="checkbox"/> Other (specify below)		
			3. Date of Earliest Transaction (Month/Day/Year) 07/05/2005					
			4. If Amendment, Date of Original Filed (Month/Day/Year)					
			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Series A Preferred Stock	03/04/2005		j <sup>(1)</sup>	V	3,311,438	A	(1)	3,311,438	D	
Series A Preferred Stock	07/05/2005		j <sup>(2)</sup>		1,200,000	D	\$25	2,111,438	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Series A Convertible Preferred Stock	\$14	03/04/2005		j <sup>(1)</sup>	V	827,859,668		(3)	(4)	Common Stock	5,913,283	(1)	0 <sup>(1)</sup>	D	
Warrant	\$8	03/04/2005		j <sup>(1)</sup>	V	5,913,402		03/09/2006	03/08/2013	Common Stock	5,913,402	(1)	5,913,402	D	

**Explanation of Responses:**

- Pursuant to a reclassification exempt under Rule 16b-7, each share of Series A Convertible Preferred Stock of Franklin Covey Co. (the "Issuer") was reclassified into four (4) shares of the Series A Preferred Stock (nonconvertible) of the Issuer and a Warrant to purchase shares of the Common Stock of the Issuer.
- The reported securities were called for redemption by the Issuer at a price equal to \$25.00 per share.
- At any time.
- N/A

**Remarks:**

/s/ STEPHEN D. YOUNG 07/07/2005  
attorney-in-fact  
 \*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby constitutes and appoint each of Robert A. Whitman and Stephen D. Young its true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution for me and in my name, place and stead, to:

1. execute for the undersigned and on its behalf, as a beneficial owner of more than 10 percent of any class of any equity security of Franklin Covey Co. which is registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Forms 3, 4, or 5 in accordance with the Section 16(a) of the Exchange Act and the rules promulgated thereunder;
2. do and perform any and all acts for the undersigned and on its behalf which may be necessary or desirable to complete and execute any such Form 3, 4, or 5, complete and execute any amendment or amendments thereto and timely file such Form with the United States Securities and Exchange Commission and any stock exchange or similar authority; and
3. take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to the undersigned, in its best interest or legally required by it, it being understood that the documents executed by such attorney-in-fact on my behalf pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as it might or could do if personally present, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. **The undersigned acknowledges that the attorneys-in-fact, in serving in such capacity at its request, are not assuming, nor is Franklin Covey Co. assuming, any of the undersigned's responsibilities to comply with Section 16 of the Exchange Act.**

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to its holdings of and transactions in securities of Franklin Covey Co., unless earlier revoked by it in a signed writing delivered to the attorneys-in-fact named above.

**IN WITNESS WHEREOF**, I have signed this Power of Attorney on July 7, 2005.

**KNOWLEDGE CAPITAL INVESTMENT GROUP**

By: Inspiration Investments Partners III, L.P., Its Manager

By: Inspiration Investments GenPar III, L.P., Its General Partner

By: Hampstead Associates, Inc., Its Managing General Partner

By: /s/ LISA ROSS

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Lisa Ross  
Its: Secretary