

KHASHOGGI ESSAM

Form 4

February 24, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KHASHOGGI ESSAM

(Last) (First) (Middle)

**C/O E. KHASHOGGI
INDUSTRIES, LLC, 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)
10/11/2005

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	(A) or (D)	Price			
Common Stock	10/11/2005		J ⁽¹⁾		279,048	A	<u>(1)</u>	6,860,270	I	See Footnote <u>(2)</u> <u>(3)</u>
Common Stock								10,000	D	

See
Footnote
(2) (3)

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

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information contained in this form are not
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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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

KHASHOGGI ESSAM
C/O E. KHASHOGGI INDUSTRIES, LLC
3916 STATE STREET, SUITE 110
SANTA BARBARA, CA 93105

X

Signatures

/s/ Essam

Khashoggi

02/23/2006

__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) Issued pursuant to that certain Agreement (the "Agreement") by and between Issuer and E. Khashoggi Industries, LLC, an affiliate of the Reporting Person, dated as of October 11, 2005. Pursuant to the Agreement, the aggregate principal amount and all accrued and unpaid interest on certain debt obligations of Issuer in favor of E. Khashoggi Industries, LLC, totaling \$837,145, was converted into shares of Issuer's common stock at a conversion price of \$3.00 per share.

(2) By Reporting Person's wife, Reporting Person's children and E. Khashoggi Industries, LLC. Includes 2,250 shares held in a trust for which the Reporting Person is trustee.

(3) The Reporting Person disclaims beneficial ownership in these shares to the extent that he does not have a pecuniary interest therein.

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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