

Edgar Filing: IMAGE SOFTWARE INC - Form SC 13D/A

IMAGE SOFTWARE INC  
Form SC 13D/A  
April 19, 2005

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

SCHEDULE 13D  
UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 5)

Image Software, Inc.

-----  
(Name of Issuer)

Common Stock, par value \$.004

-----  
(Title of Class of Securities)

45244 M 102

-----  
(CUSIP Number)

S. Lee Terry, Jr. Davis Graham &  
Stubbs LLP  
1550 17th Street, Suite 500  
Denver, CO 80202

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

March 31, 2005

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(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 ss.ss. 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 this schedule, including all exhibits. See ss. 240.13d-7 for other parties to whom copies are to be sent.

\*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

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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).

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 CONTROL  
NUMBER.

SEC 1746 (03-00)

Schedule 13D

CUSIP No. 45244 M 102

Image Software, Inc.

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

David R. DeYoung

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) ☐

(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

PF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(d) or 2(e)

☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

US

7 SOLE VOTING POWER

NUMBER OF  
SHARES

933,216

BENEFICIALLY  
OWNED BY

8 SHARED VOTING POWER

EACH  
REPORTING  
PERSON  
WITH

949,067

9 SOLE DISPOSITIVE POWER

933,216

10 SHARED DISPOSITIVE POWER

949,067

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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1,882,283

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES  
(See Instructions)

☐

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

40.3%

14 TYPE OF REPORTING PERSON (See Instructions)

IN

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Schedule 13D

CUSIP No. 45244 M 102

Image Software, Inc.

Item 1. Security and Issuer.

This statement relates to the \$.004 par value common stock of Image Software, Inc., 6025 S. Quebec Street, Suite 300, Englewood, CO 80112.

Item 2. Identity and Background.

(a) Name: David R. DeYoung

(b) Business 6025 S. Quebec Street Address: Englewood, Colorado 80111

(c) Principal  
Occupation: President, Chief Executive Officer and Director  
Image Software, Inc.  
6025 S. Quebec Street  
Englewood, Colorado 80111

(d) Criminal Proceedings: None

(e) Civil Proceedings: None

(f) Citizenship: U.S.

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

On March 31, 2005, the Issuer entered into an Amendment to its Revolving Credit Agreement with DEMALE, LLC, a Colorado limited liability company ("DEMALE") to increase the line of credit by \$200,000 and to extend the loan repayment date to June 30, 2007. As additional consideration for this increase and extension, the Issuer agreed to change the price for DEMALE's conversion right for the principal amount of, and unpaid interest on, the line of credit from a conversion price equal to (a) 80% of the fair market value on the date that DEMALE's written notice of such conversion to the Issuer's common stock is received by the Issuer, to (b) \$0.14 per share or 80% of the fair market value on the date of the written notice, whichever is lower at the time of conversion. As a result of the increase in the amount owed to DEMALE under the line of credit to \$500,000 and the fixing of the maximum conversion price at \$0.14 per share, DEMALE is now the beneficial owner of 3,740,057 shares (including accrued

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interest through March 31, 2005), or 53%. Its members are David R. DeYoung, the Issuer's President, Chief Executive Officer and a Director, John G. Mazza and Spencer D. Lehman, Directors and more than 10% shareholders of the Issuer, and Gold King Investments LLC ("King"), of which Robert Wiegand II, a Director of the Issuer, is a minority interest holder Messrs. DeYoung, Mazza and Lehman each hold a 25.4% in DEMALE, King an 23.8% interest, and Mr. Wiegand a 4.3% indirect interest.

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Schedule 13D

CUSIP No. 45244 M 102

Image Software, Inc.

Item 4. Purpose of Transaction.

Mr. DeYoung holds the Issuer's common stock reported herein for the purpose of investment. Subject to and depending upon the availability of prices deemed favorable by him, he may choose to purchase additional shares of common stock from time to time in the open market, in privately negotiated transactions with third parties. In addition, depending upon prevailing conditions, Mr. DeYoung may determine to dispose of shares of common stock held by him in the open market, in privately negotiated transactions with third parties, or otherwise.

In its capacity of owning a 53% interest in the Issuer, DEMALE is deemed to control the Issuer. However, Mr. DeYoung and DEMALE have no independent plans or proposals which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

Items 3 and 4 are incorporated herein by reference.

Mr. DeYoung is the beneficial owner of 1,882,283 shares (40.3%) of the Issuer's common stock. That includes 933,216 shares for which he has the sole power to vote and dispose of the shares and 949,067 shares for which he has shared power to vote and dispose of the shares. Also, pursuant to Mr. DeYoung's employment agreement, he is entitled to receive a grant, at the fair market value of the shares on the date of grant, of a sufficient number of ten year options as are necessary to permit him to retain the same percentage of beneficial ownership in the Company as he held on December 16, 1996. Excludes 402,501 shares held by Mr. DeYoung's spouse, Mary Anne DeYoung, as to which beneficial ownership is disclaimed by Mr. DeYoung.

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

None.

Item 7. Material to Be Filed as Exhibits.

Amendment to Revolving Credit Agreement dated March 31, 2005 filed as Exhibit 10.1 to the Issuer's Form 8-K filed April 7, 2005 is incorporated by reference herein.

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Schedule 13D

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CUSIP No. 45244 M 102

Image Software, Inc.

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.

April 18, 2005

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Date

/s/ David R. DeYoung

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David R. DeYoung