

FRANKLIN ELECTRONIC PUBLISHERS INC
 Form 4
 January 20, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 Saunders Acquisition Corp

2. Issuer Name and Ticker or Trading Symbol
 FRANKLIN ELECTRONIC PUBLISHERS INC [FEP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 12/07/2009

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

2 BRIARWOOD COURT

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___X___ Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

PRINCETON JUNCTION, NJ 08850

(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 | 12/07/2009 | | J ⁽¹⁾ | | 1,900 | A | \$ 2.5 |
| Common Stock | 12/17/2009 | | J ⁽²⁾ | | 100 | A | \$ 2.5 |
| Common Stock | 12/29/2009 | | J ⁽³⁾ | | 39,000 | A | \$ 2.5 |
| Common Stock | 12/30/2009 | | J ⁽⁴⁾ | | 117,000 | A | \$ 2.5 |
| Common Stock | 01/05/2010 | | J ⁽⁵⁾ | | 2,714 | A | \$ 2.5 |

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

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 1474
(9-02)

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. Number of Derivative Securities Beneficially Owned (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | 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 |
| Saunders Acquisition Corp 2 BRIARWOOD COURT PRINCETON JUNCTION, NJ 08850 | | X | | |

Signatures

/s/ Barry J. Lipsky, President of Saunders Acquisition Corp. 01/20/2010

__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) Represents shares of the Issuer's common stock, par value \$0.01 per share (the "Common Stock"), acquired by the Reporting Person pursuant to the certain exchange agreement between the Reporting Person and Frank A. Musto, Chief Financial Officer of the Issuer and Treasurer of the Reporting Person. In consideration of such contribution, Mr. Musto received a number of shares of the Reporting Person's Series A Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock"), equal to the number of shares of Common Stock contributed to the Reporting Person by Mr. Musto.
- (2) Represents share of Common Stock acquired by the Reporting Person pursuant to that certain exchange agreement between the Reporting Person and Toshihide Hokari, Chief Operating Officer of the Issuer and Secretary of the Reporting Person. In consideration of such contribution, Mr. Hokari received a number of shares of Series A Preferred Stock equal to the number of shares Common Stock contributed to the Reporting Person by Mr. Hokari.

Edgar Filing: FRANKLIN ELECTRONIC PUBLISHERS INC - Form 4

- Represents shares of Common Stock acquired by the Reporting Person pursuant to that certain exchange agreement between the
- (3) Reporting Person and Julien David, a shareholder of the Issuer. In consideration of such contribution, Mr. David received a number of shares of Series A Preferred Stock equal to the number of shares of Common Stock contributed to the Reporting Person by Mr. David.
- Represents shares of Common Stock acquired by the Reporting Person pursuant to that certain exchange agreement between the
- (4) Reporting Person and Morton David, a shareholder of the Issuer. In consideration of such contribution, Mr. David received a number of shares of Series A Preferred Stock equal to the number of shares of Common Stock contributed to the Reporting Person by Mr. David.
- Represents additional shares of Common Stock acquired by the Reporting Person pursuant to the above-referenced exchange agreements between the Reporting Person and each of Messrs. Musto and Hokari. In consideration of such contributions, Messrs. Musto and Hokari each received a number of shares of Series A Preferred Stock equal to the number of additional shares of Common Stock contributed to the Reporting Person by him.
- (5)

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.