

FRANKLIN ELECTRONIC PUBLISHERS INC
 Form 3
 January 20, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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INITIAL STATEMENT OF 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 * Â Saunders Acquisition Corp (Last) (First) (Middle) 2 BRIARWOOD COURT (Street) PRINCETON JUNCTION, Â NJ Â 08850 (City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year) 12/04/2009 | 3. Issuer Name and Ticker or Trading Symbol FRANKLIN ELECTRONIC PUBLISHERS INC [FEP] | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) | 5. If Amendment, Date 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 Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock | 2,580,412 ⁽¹⁾ ₍₂₎ | D | Â |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|--|--|--|
| | Date Exercisable | Title | Amount or Number of | | |

Shares (I)
(Instr. 5)

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 5(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 those certain exchange agreements between the Reporting Person and Barry J. Lipsky, the President and Chief Executive Officer of the Issuer and President of the Reporting Person, Toshihide Hokari, Chief Operating Officer of the Issuer and Secretary of the Reporting Person, Frank A. Musto, Chief Financial Officer of the Issuer and Treasurer of the Reporting Person, Howard L. Morgan, the Chairman of the Board of Directors of the Issuer, James H. Simons, a director of the Issuer, and Marcy Lewis and Shining Sea Limited, who are shareholders of the Issuer (collectively, the "Saunders Group").

(2) In consideration of the contributions described in footnote 1 above, each member of the Saunders Group received a number of shares of the Reporting Person's Series A Preferred Stock, par value \$0.01 per share, equal to the number of shares of Common Stock contributed to the Reporting Person by such member of the Saunders Group.

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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