

FRANKLIN ELECTRONIC PUBLISHERS INC

Form 3

January 20, 2010

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

OMB APPROVAL

OMB
Number: 3235-0104Expires: January 31,
2005Estimated average
burden hours per
response... 0.5**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. 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 Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)

2 BRIARWOOD COURT

(Street)

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer ____ Other
(give title below) (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

PRINCETON

JUNCTION,Â NJÂ 08850

(City)

(State)

(Zip)

Table I - Non-Derivative Securities Beneficially Owned1. 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)Date
ExercisableExpiration
Date3. Title and Amount of
Securities Underlying
Derivative Security
(Instr. 4)Title
Amount or
Number of4. Conversion
or Exercise
Price of
Derivative
Security5. Ownership
Form of
Derivative
Security:
Direct (D)
or Indirect6. Nature of Indirect
Beneficial Ownership
(Instr. 5)

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	Â	Â X	Â	Â

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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