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FRANKLIN CAPITAL CORP

Form 8-K

November 19, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 15, 2004

FRANKLIN CAPITAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

811-05103
(Commission File Number)

13-3419202
(IRS Employer Identification No.)

100 Wilshire Boulevard, 15th Floor, Suite 1500
Santa Monica, California 90401
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (310) 752-1416

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.02 Unregistered Sales of Equity Securities

On November 3, 2004, Franklin Capital Corporation ("Franklin") entered into a Subscription Agreement with several accredited investors, relating to the issuance and sale by Franklin of shares of its common stock (the "Shares") and five-year warrants (the "Warrants") to purchase additional shares of its common stock (the "Warrant Shares") in one or more closings of a private placement (the "Private Placement") exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act").

On November 15, 2004, Franklin issued and sold to several accredited investors an aggregate of 32,500 Shares and Warrants to purchase an aggregate of up to 16,250 Warrant Shares in a second closing of the Private Placement pursuant to the terms of the Subscription Agreement. These issuances resulted in aggregate gross proceeds to Franklin of \$260,000, and no discount or commission was paid by Franklin in connection with such issuances.

Each Warrant issued in connection with the Private Placement allows the holder thereof to purchase Warrant Shares at an exercise price per Warrant Share equal to 110% of the closing price of Franklin's common stock on the date of the issuance of the Warrant. Each Warrant further specifies that Franklin may require the holder thereof to exercise the Warrant in accordance with its terms in the event that the average closing price of Franklin's common stock during any period of five consecutive trading days exceeds 200% of the Warrant's exercise price per share.

The foregoing issuances were made in reliance upon the exemption provided in Section 4(2) of the Securities Act and the safe harbor of Rule 506 under Regulation D promulgated under the Securities Act. No form of general solicitation or general advertising was conducted in connection with the Private Placement. Each of the Warrants and the certificates representing Shares and Warrant Shares contain or will contain restrictive legends preventing the sale, transfer or other disposition of such Shares, Warrant Shares or Warrants, unless registered under the Securities Act, and each investor was informed by Franklin of these restrictions prior to the issuance of the Shares and Warrants.

Item 7.01 Regulation FD Disclosure

On November 17, 2004, Franklin issued a press release announcing the issuance and sale of Shares and Warrants in connection with the second closing of the Private Placement. A copy of that press release is being furnished as Exhibit 99.1 to this current report on Form 8-K.

The information in this Item 7.01 of this current report on Form 8-K, together with the information in Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Such information shall not be deemed

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incorporated by reference into any registration statement or other document filed with the SEC.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press release issued on November 17, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FRANKLIN CAPITAL CORPORATION

By: /s/ Milton "Todd" Ault III

Milton "Todd" Ault III
Chairman and Chief Executive Officer

Date: November 19, 2004

Index to Exhibits

Exhibit No. Description of document

99.1 Press release dated November 17, 2004