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FRANKLIN CAPITAL CORP
Form 40-17F2
March 11, 2004

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

FORM N-17f-2

OMB APPROVAL

Certificate of Accounting of Securities and Similar
Investments in the Custody of
Management Investment Companies

OMB Number: 3235-0360
Expires: June 30, 1997
Estimated average burden
hours per response: 0.05

Pursuant to Rule 17f-2 [17 CFR 270.17f-2]

1. Investment Company Act File Number:
811-5103

Date examination completed:
December 17, 2003

2. State Identification Number

| | | | | | |
|----|----|----|-------------|----|----|
| AL | AK | AZ | AR | CA | CO |
| CT | DE | DC | FL | GA | HI |
| ID | IL | IN | IA | KS | KY |
| LA | ME | MD | MA | MI | MN |
| MS | MO | MT | NE | NV | NH |
| NJ | NM | NY | NC | ND | OH |
| OK | OR | PA | RI | SC | SD |
| TN | TX | UT | VT | VA | WA |
| WV | WI | WY | PUERTO RICO | | |

Other (specify):

3. Exact name of investment company as specified in registration statement:
Franklin Capital Corporation

4. Address of principal executive office (number, street, city, state, zip
code):
450 Park Avenue, 20th Floor, New York, New York 10022

INSTRUCTIONS

This Form must be completed by investment companies that have custody of securities of similar investments.

INVESTMENT COMPANY

- All items must be completed by the investment company.
- Give this Form to the independent public accountant who, in compliance with Rule 17f-2 under the Act and applicable state law, examines securities and

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Agreement of investment purchases and sales or maturities since our last examination from the books and records of the Company to broker confirmations.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with the requirements of the Act. In our opinion, management's assertion that Franklin Capital Corporation maintained effective internal control, including the appropriate segregation of responsibilities and duties, over the transfer agent and registrar functions, and that no material inadequacies existed as defined by the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940, as of December 17, 2003, is fairly stated, in all material respects, based on the criteria established by the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940.

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o Ernst & Young LLP

This report is intended solely for the information and use of management and the Board of Directors of Franklin Capital Corporation and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

/s/ Ernst & Young LLP