LIPSKY BARRY J
Form SC 13D/A
October 07, 2009

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# SCHEDULE 13D

**(Amendment No. 2)***

**Under the Securities Exchange Act of 1934**

## Franklin Electronic Publishers, Incorporated

**(Name of Issuer)**

**Common Stock**

**(Title of Class of Securities)**

**3535109**

**(CUSIP Number)**

**Barry J. Lipsky, 2 Briarwood Court,**

**Princeton Junction, New Jersey 08850 (609-509-3024)**

**(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)**

***With a copy to:***

**David A. Boillot, Esq., Reitler Kailas & Rosenblatt LLC,**

**800 Third Avenue, 21st Floor, New York, NY 10022 (212-209-3050)**

## September 30, 2009

**(Date of Event which Requires Filing of this Statement)**

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ¨

**Note**: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Barry J. Lipsky

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | |
|---|---|
| | 7) SOLE VOTING POWER |
| | 493,941 (1) |
| | 8) SHARED VOTING POWER |
| | 0 |
| | 9) SOLE DISPOSITIVE POWER |
| | 493,941 (1) |
| | 10) SHARED DISPOSITIVE POWER |

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

493,941 (1)

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ¨

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.7%(2)

14) TYPE OF REPORTING PERSON

IN

(1) Includes 444,619 shares of common stock which may be acquired by Mr. Lipsky upon exercise of stock options.

(2) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Toshihide Hokari

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

Japan

| | | |
|---|---|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7) SOLE VOTING POWER | 75,100(1) |
| | 8) SHARED VOTING POWER | 0 |
| | 9) SOLE DISPOSITIVE POWER | 75,100(1) |
| | 10) SHARED DISPOSITIVE POWER | |

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

75,100(1)

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.9%(2)

14) TYPE OF REPORTING PERSON

IN

(1) Includes 75,000 shares of common stock which may be acquired by Mr. Hokari upon exercise of stock options.

(2) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Frank A. Musto

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7) SOLE VOTING POWER

51,900 (1)

8) SHARED VOTING POWER

0

9) SOLE DISPOSITIVE POWER

51,900(1)

10) SHARED DISPOSITIVE POWER

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

51,900(1)

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ¨

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.6%(2)

14) TYPE OF REPORTING PERSON

IN

(1) Includes 50,000 shares of common stock which may be acquired by Mr. Musto upon exercise of stock options.

(2) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Howard L. Morgan

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | |
|---|---|
| | 7) SOLE VOTING POWER<br>184,069(1) |
| | 8) SHARED VOTING POWER<br>0 |
| | 9) SOLE DISPOSITIVE POWER<br>184,069(1) |
| | 10) SHARED DISPOSITIVE POWER |

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

184,069 (1)

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ¨

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.2%(2)

14) TYPE OF REPORTING PERSON

IN

(1) Includes 150,069 shares of common stock which may be acquired by Dr. Morgan upon exercise of stock options.

(2) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

James H. Simons

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | |
|---|---|
| | 7) SOLE VOTING POWER |
| | 557,649(1) |
| | 8) SHARED VOTING POWER |
| | 0 |
| | 9) SOLE DISPOSITIVE POWER |
| | 557,649(1) |
| | 10) SHARED DISPOSITIVE POWER |

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

557,649 (1)

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ¨

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

6.6%(2)

14) TYPE OF REPORTING PERSON

IN

(1) Includes 147,649 shares of common stock which may be acquired by Dr. Simons upon exercise of stock options.

(2) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Marcy Lewis

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7) SOLE VOTING POWER

945,350

8) SHARED VOTING POWER

0

9) SOLE DISPOSITIVE POWER

945,350

10) SHARED DISPOSITIVE POWER

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

945,350

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ¨

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

11.4%(1)

14) TYPE OF REPORTING PERSON

IN

(1) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Shining Sea Limited

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

98-0220163

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

WC

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

Bermuda

| | | |
|---|---|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7) SOLE VOTING POWER | 1,684,638 |
| | 8) SHARED VOTING POWER | 0 |
| | 9) SOLE DISPOSITIVE POWER | |

1,684,638

10) SHARED DISPOSITIVE POWER

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,684,638

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

20.4%(1)

14) TYPE OF REPORTING PERSON

OO

(1) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Julien David

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | |
|---|---|
| | 7) SOLE VOTING POWER |
| | 39,000 |
| | 8) SHARED VOTING POWER |
| | 0 |
| | 9) SOLE DISPOSITIVE POWER |
| | 39,000 |
| | 10) SHARED DISPOSITIVE POWER |

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

39,000

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.5%(1)

14) TYPE OF REPORTING PERSON

IN

(1) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Morton David

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.

| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | |
|---|---|
| | 7) SOLE VOTING POWER<br>0 |
| | 8) SHARED VOTING POWER<br>117,000 (1) |
| | 9) SOLE DISPOSITIVE POWER<br>0 |
| | 10) SHARED DISPOSITIVE POWER |

117,000 (1)

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

117,000

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ¨

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.4%(2)

14) TYPE OF REPORTING PERSON

IN

(1) Includes (a) 39,000 shares held by the Claudia David 1985 Trust, of which Mr. David is a trustee, (b) 39,000 shares held by the Aaron J David 1989 Trust, of which Mr. David is a trustee and (c) 39,000 shares held by the Zachary M. David 1992 Trust, of which Mr. David is a trustee.

(2) The percentage is calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

CUSIP NO.: 3535109

1) NAME OF REPORTING PERSON

Noah Education Holdings Ltd.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) x

(b) ¨

3) SEC Use Only

4) SOURCE OF FUNDS

PF

5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ¨

6) CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

| | | |
|---|---|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7) SOLE VOTING POWER | 0 |
| | 8) SHARED VOTING POWER | 0 |
| | 9) SOLE DISPOSITIVE POWER | 0 |
| | 10) SHARED DISPOSITIVE POWER | 0 |

0

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0

12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0%

14) TYPE OF REPORTING PERSON

OO

This Schedule 13D Amendment No. 2 (this *Schedule 13D/A* ) amends (i) the Schedule 13D Amendment No. 1 of Barry J. Lipsky ( *Mr. Lipsky* ), Toshihide Hokari ( *Mr. Hokari* ), Frank A. Musto ( *Mr. Musto* ), Howard L. Morgan ( *Dr. Morgan* ), James H. Simons ( *Dr. Simons* ), Mar Lewis ( *Ms. Lewis* ), Shining Sea Limited ( *Shining Sea* ), Julien David ( *Mr. J. David* ) and Morton David ( *Mr. M. David* ), as filed with the SEC o September 18, 2009, and (ii) the Schedule 13D of Messrs. Lipsky, Hokari and Musto, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea, as filed with the SEC on May 29, 2009.

**ITEM 1. SECURITY AND ISSUER**

This Schedule 13D/A relates to the common stock, $.01 par value (the *Common Stock* ) of Franklin Electronic Publishers, Incorporated, a Pennsylvania corporation (the *Company* ). The address of the principal executive offices of the Company is One Franklin Plaza, Burlington, New Jersey 08016.

**ITEM 2. IDENTITY AND BACKGROUND**

(a) This Schedule 13D/A is being filed by Mr. Lipsky, Mr. Hokari, Mr. Musto, Dr. Morgan, Dr. Simons, Ms. Lewis, Shining Sea, Mr. J. David, Mr. M. David and Noah Education Holdings Ltd. ( *Noah* ); Messrs. Lipsky, Hokari, Musto, J. David and M. David, Dr. Morgan, Dr. Simons, Ms. Lewis, Shining Sea and Noah, are collectively referred to as the *Reporting Persons* ). The Reporting Persons are filing this Statement because they may be deemed to be a group within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (the *Exchange Act* ), with respect to the transaction described in Item 4 of this Schedule 13D/A. Except as expressly set forth in this Schedule 13D/A, each Reporting Person disclaims beneficial ownership of the shares of Common Stock beneficially owned by any other Reporting Person.

(b)-(c) (i) Shining Sea is an exempted company organized under the laws of the Island of Bermuda, its principal business is investment holding and management and the address of its principal office is c/o Bermuda Trust Company Ltd., Compass Point, 9 Bermudiana Road, Hamilton HM11, Bermuda. Mr. Lipsky s principal occupation is President and Chief Executive Officer of the Company. The principal business office and address of Mr. Lipsky is c/o Franklin Electronic Publishers, Incorporated, One Franklin Plaza, Burlington, New Jersey 08016. Mr. Musto s principal occupation is the Vice President, Chief Financial Officer, Treasurer and Secretary of the Company. The principal business office and address of Mr. Musto is c/o Franklin Electronic Publishers, Incorporated, One Franklin Plaza, Burlington, New Jersey 08016. Mr. Hokari s principal occupation is the Senior Vice President and Chief Operating Officer of the Company. The principal business office and address of Mr. Hokari is c/o Franklin Electronic Publishers, Incorporated, One Franklin Plaza, Burlington, New Jersey 08016. Dr. Morgan s principal occupation is President of Arca Group, Inc., a consulting and investment management firm. Dr. Morgan is also Chairman of the Board of Directors of the Company (the *Board of Directors* ). The principal business office and address of Dr. Morgan is c/o Franklin Electronic Publishers, Incorporated, One Franklin Plaza, Burlington, New Jersey 08016. Dr. Simons principal

occupation is Chairman and CEO of Renaissance Technologies LLC. Dr. Simons is also a member of the Board of Directors. The principal business office and address of Dr. Simons is c/o Renaissance Technologies LLC, 800 Third Avenue, New York, New York 10022. Ms. Lewis principal occupation is private investing. Ms. Lewis is also a beneficial owner of 5% or more of the Common Stock. The principal business office and address of Ms. Lewis is 11111 Biscayne Boulevard, North Miami, Florida 33181. Mr. M. David s principal occupation is private investing. The principal business office and address of Mr. M. David is 33 Stonebridge Road, Montclair, New Jersey 07042. Mr. J. David s principal occupation is private investing. The principal business office and address of Mr. J. David is 55 Mill Lane East, East Hampton, New York 11937. Noah is a company organized under the laws of the Cayman Islands, its principal business is providing supplemental education products and services in China and the address of its principal office is 10th Floor B Building, Futian Tian an Hi-Tech Venture Park, Futian District, Shenzhen, Guangdong Province, People s Republic of China, 518048.

(d) During the last five (5) years, none of the Reporting Persons have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five (5) years, none of the Reporting Persons have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding, were or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each of Messrs. Lipsky, Musto, J. David and M. David, Dr. Morgan, Dr. Simons and Ms. Lewis are citizens of the United States of America. Mr. Hokari is a citizen of Japan. Shining Sea is an exempted company organized under the laws of the Island of Bermuda. Noah is a company organized under the laws of the Cayman Islands.

**ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION**

Information set forth in Item 4 of this Schedule 13D/A is hereby incorporated in this Item 3 by reference.

The shares of Common Stock beneficially owned by Messrs. Lipsky, Musto, Hokari, J. David and M. David and Dr. Morgan, Dr. Simons and Ms. Lewis were acquired from the Company through open market and privately negotiated purchases using personal funds or through the exercise of options granted by the Company in connection with their services as an officer or a director of the Company. The shares of Common Stock beneficially owned by Shining Sea were acquired as a result of a transfer on July 1, 2000 from The Lord Jim Trust, a trust created under the laws of the Island of Bermuda for the benefit of Dr. Simons and his family (the *Trust* ), of 1,684,638 shares of Common Stock, which amount represented all of the Common Stock owned by the Trust, to Shining Sea. Shining Sea is principally owned by the Trust.

In connection with the transactions described in Item 4, the Reporting Persons estimate that the total amount of funds necessary to acquire all of the Common Stock not currently owned by the Reporting Persons in the Merger (as defined in Item 4) and pay estimated fees and expenses will be approximately $14,477,000. In connection with the Revised Proposal (as defined in Item 4), (i) Mr. Lipsky has subscribed for 200,000 shares of Series B Preferred Stock, par value $0.01 per share of the Acquisition Company (the *Series B Preferred* ) for an aggregate purchase price of $500,000, (ii) Dr. Morgan has subscribed for 400,000 shares of Series B Preferred for an aggregate purchase price of $1,000,000, (iii) Dr. Simons has subscribed for 400,000 shares of Series B Preferred for an aggregate purchase price of $1,000,000, and (iv) Mr. M. David has subscribed for 80,000 shares of Series B Preferred for an aggregate purchase price of $200,000 (collectively, the *Original Subscription Agreements* ). Copies of the Original Subscription Agreements are filed herewith as Exhibit 7.04 and incorporated into this Item 3 by reference. On September 30, 2009, in connection with the proposed Merger (as defined in Item 4), Noah has agreed to subscribe for 400,000 shares of Series B Preferred for an aggregate purchase price of $1,000,000 (the *Noah Subscription Agreement* ). A copy of the Noah Subscription Agreement is filed herewith as Exhibit 7.07 and incorporated into this Item 3 by reference.

To the extent that any amounts are due or may be paid by the Reporting Persons or the surviving corporation in connection with the consummation of the Merger, such funds may be paid from generally available working capital of the surviving corporation.

**ITEM 4. PURPOSE OF TRANSACTION**

As previously reported, on May 20, 2009, Messrs. Lipsky, Musto and Hokari, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea submitted a non-binding proposal (the *Original Proposal* ) for a going-private transaction to the Board of Directors. A copy of the Original Proposal is filed herewith as Exhibit 7.02 and incorporated into this Item 4 by reference. On May 20, 2009, the Board of Directors formed a special committee of independent directors (the *Special Committee* ) to consider the terms and conditions of the Original Proposal and to recommend to the Board of Directors whether to approve the Original Proposal. As previously reported, on September 11, 2009, Messrs. Lipsky, Musto, Hokari, J. David and M. David, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea submitted to the Special Committee a revised non-binding proposal for a going-private transaction (the *Revised Proposal* ) which contemplated the merger (the *Merger* ) of Saunders Acquisition Corporation, a newly formed Delaware corporation (the *Acquisition Company* ), with and into the Company. A copy of the Revised Proposal is filed herewith as Exhibit 7.05 and incorporated into this Item 4 by reference.

On September 30, 2009, the Company entered into an Agreement and Plan of Merger (the *Merger Agreement* ) with the Acquisition Company, pursuant to which, subject to the receipt of shareholder approval and certain other conditions, the Acquisition Company will merge with and into the Company on the terms and conditions set forth in the Merger Agreement. Following the completion of the proposed Merger, the separate existence of the Acquisition Company will cease and the Company will be the corporation surviving the proposed Merger (the *Surviving Corporation* ). On the effective dated of the proposed Merger, all outstanding shares of Common Stock, other than shares held by the Acquisition Company, will be cancelled and will be converted into the right to receive $2.50 in cash, without interest.

Vested stock options to purchase Common Stock of the Company with an exercise price of less than $2.50 will be settled for an amount equal to the product of (i) the number of shares of Common Stock of the Company subject to such stock option and (ii) the difference between $2.50 and the exercise price of such stock option. All vested options with an exercise price equal to or greater than $2.50 and unvested stock options will be cancelled without consideration.

The Company may terminate the Merger Agreement under certain circumstances, including if its board of directors determines in good faith that it has received an unsolicited bona fide Superior Proposal (as defined in the Merger Agreement), and otherwise complies with certain terms of the Merger Agreement. In connection with such termination, or a termination of the Merger Agreement under certain other circumstances, the Company must pay a fee of $650,000 to the Acquisition Company. In certain circumstances, the Merger Agreement provides for the Acquisition Company to pay to the Company a fee of $650,000 upon termination of the Merger Agreement. The Company is also required, under certain circumstances, to reimburse the Acquisition Company for its actual expenses if the Acquisition Company terminates the Merger Agreement due to the Company s board of directors violating certain of the Merger Agreement s covenants.

The foregoing is a summary of the Merger Agreement and the proposed Merger and should not be construed as an offer to purchase shares of the Company s Common Stock. A copy of the Merger Agreement is filed herewith as Exhibit 7.08 and incorporated into this Item 4 by reference.

Following the proposed Merger the Surviving Corporation will be controlled by the Reporting Persons. The Reporting Persons beneficially own approximately 45.4% of the total outstanding votes of the Common Stock entitled to vote on the proposed Merger as a single class (including in such percentage calculation 867,337 shares that may be acquired upon the exercise of stock options at exercise price ranging from $9.875 to $0.89 per share). It is anticipated, however, that Messrs. Lipsky, Musto, Hokari, J. David and M. David, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea will only exercise options having an exercise price of $2.50 per share or less, so that, following such exercises, the Reporting Persons will own 41.7% of the total outstanding votes of the Common Stock entitled to vote on the proposed Merger. Each of Messrs. Lipsky, Musto, Hokari, J. David and M. David, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea have agreed to contribute their Common Stock of the Company to the Acquisition Company in exchange for capital stock of the Acquisition Company, which has agreed to vote its shares of Common Stock of the Company in favor of the proposed Merger. If the proposed Merger is consummated, the Common Stock of the Company would be eligible for termination of registration pursuant to Section 12(g) of the Exchange Act and the Common Stock of the Company would be delisted from the NYSE Amex Equities.

A proxy statement will be distributed to shareholders of the Company in connection with the proposed Merger. Shareholders of the Company should read the Company s proxy statement and other relevant documents regarding the proposed Merger filed with the SEC when they become available because they will contain important information relevant to the decision to approve the proposed Merger. Shareholders will be able to receive these documents (when they become available), as well as other documents filed by the Reporting Persons or Acquisition Company or its affiliates with respect to the proposed Merger, free of charge at the SEC s web site, www.sec.gov.

Other than as set forth in the Merger Agreement, the Reporting Persons have no plans or proposals that relate to or would result in any of the events set forth in this Item 4 of Schedule 13D. However, if the proposed Merger is not consummated for any reason, the Reporting Persons intend to review continuously the Company s business affairs, capital needs and general industry and economic conditions, and, based on such review, the Reporting Persons may, from time to time, determine to increase their ownership of Common Stock, approve an extraordinary corporate transaction with regard to the Company or engage in any of the events set forth in this Item 4 of Schedule 13D, except that the Reporting Persons currently have no intention of selling any shares of Common Stock.

The information set forth in response to this Item 4 does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is filed as Exhibit 7.08, and is incorporated herein by reference.

**ITEM 5. INTEREST IN SECURITIES OF THE COMPANY.**

(a) Mr. Lipsky beneficially owns 493,941 shares of Common Stock, which represents 5.7% of the Common Stock, and includes 444,619 shares of Common Stock that may be acquired by Mr. Lipsky upon exercise of stock options at the exercise prices set forth in the following table.

| Number of Options | Exercise Price |
|---|---|
| 36,000 | $ 7.50 |
| 50,000 | $ 7.50 |
| 30,000 | $ 2.80 |
| 106,119 | $ 3.50 |
| 30,000 | $ 1.20 |
| 30,000 | $ 2.70 |
| 37,500 | $ 3.84 |
| 37,500 | $ 3.80 |
| 50,000 | $ 3.82 |
| 37,500 | $ 1.40 |

Mr. Hokari beneficially owns 75,100 shares of Common Stock, which represents 0.9% of the Common Stock, and includes 50,000 shares of Common Stock that may be acquired by Mr. Hokari upon exercise of stock options at an exercise price of $2.95 per share and 25,000 shares of Common Stock that may be acquired by Mr. Hokari upon exercise of stock options at an exercise price of $1.40 per share.

Mr. Musto beneficially owns 51,900 shares of Common Stock, which represents 0.6% of the Common Stock, and includes 30,000 shares of Common Stock that may be acquired by Mr. Musto upon exercise of stock options at an exercise price of $2.95 per share and 20,000 shares of Common Stock that may be acquired by Mr. Musto upon exercise of stock options at an exercise price of $1.40 per share.

Dr. Morgan beneficially owns 184,069 shares of Common Stock, which represents 2.2% of the Common Stock, and includes 150,069 shares of Common Stock that may be acquired by Mr. Morgan upon exercise of stock options at the exercise prices set forth in the following table.

| Number of Options | Exercise Price |
|---|---|
| 3,000 | $ 5.625 |
| 2,038 | $ 9.875 |
| 6,234 | $ 4.813 |
| 21,429 | $ 1.40 |
| 18,646 | $ 3.50 |
| 18,405 | $ 1.63 |
| 7,874 | $ 3.81 |
| 6,960 | $ 4.31 |
| 7,936 | $ 3.78 |
| 14,285 | $ 2.10 |
| 9,554 | $ 3.14 |
| 33,708 | $ 0.89 |

Dr. Simons beneficially owns 557,649 shares of Common Stock, which represents 6.6% of the Common Stock, and includes 147,649 shares of Common Stock that may be acquired by Mr. Simons upon exercise of stock options at the exercise prices set forth in the following table.

| Number of Options | Exercise Price |
|---|---|
| 3,000 | $ 5.625 |
| 2,038 | $ 9.875 |
| 6,234 | $ 4.813 |
| 21,429 | $ 1.40 |
| 16,226 | $ 3.50 |
| 18,405 | $ 1.63 |
| 7,874 | $ 3.81 |
| 6,960 | $ 4.31 |
| 7,936 | $ 3.78 |
| 14,285 | $ 2.10 |
| 9,554 | $ 3.14 |
| 33,708 | $ 0.89 |

Ms. Lewis beneficially owns 945,350 shares of Common Stock, which represents 11.4% of the Common Stock.

Shining Sea beneficially owns 1,684,638 shares of Common Stock, which represents 20.4% of the Common Stock. Shining Sea is principally owned by the Trust, which was created under the laws of the Island of Bermuda for the benefit of Dr. Simons and his family.

Mr. J. David beneficially owns 39,000 shares of Common Stock, which represents 0.5% of the Common Stock.

Mr. M. David beneficially owns 117,000 shares of Common Stock, which represents 1.4% of the Common Stock.

Noah does not beneficially own any shares of Common Stock.

The percentage of the Common Stock set forth for each Reporting Person in this Item 5 was calculated based upon 8,278,083 shares of common stock outstanding as of August 5, 2009, as reported on the Company s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

(b) Mr. Lipsky has the sole power to vote and dispose of 493,941 shares of Common Stock.

Mr. Hokari has the sole power to vote and dispose of 75,100 shares of Common Stock.

Mr. Musto has the sole power to vote and dispose of 51,900 shares of Common Stock.

Dr. Morgan has the sole power to vote and dispose of 184,069 shares of Common Stock.

Dr. Simons has the sole power to vote and dispose of 557,649 shares of Common Stock.

Ms. Lewis has the sole power to vote and dispose of 945,350 shares of Common Stock.

Shining Sea has the sole power to vote and dispose of 1,684,638 shares of Common Stock.

Mr. J. David has the sole power to vote and dispose of 39,000 shares of Common Stock.

Mr. M. David has shared power to vote and dispose of 117,000 shares of Common Stock.

Noah does not have the power to vote and/or dispose of any shares of Common Stock.

(c) None of the Reporting Persons has effected any transactions in any shares of Common Stock of the Company during the past 60 days.

(d) Other than Mr. Lipsky, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Mr. Lipsky.

Other than Mr. Hokari, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Mr. Hokari.

Other than Mr. Musto, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Mr. Musto.

Other than Dr. Morgan, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Dr. Morgan.

Other than Dr. Simons, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Dr. Simons.

Other than Ms. Lewis, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Ms. Lewis.

Other than Shining Sea, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Shining Sea.

Other than Mr. J. David, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Mr. J. David.

Other than the beneficiaries of the Claudia David 1985 Trust, the Aaron J. David 1989 Trust and the Zachary M. David 1992 Trust, respectively, no person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by Mr. M. David.

Noah does not beneficially own any shares of Common Stock.

(e) Not applicable

**ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE COMPANY.**

Reference is made to the disclosure set forth under Item 3, Item 4 and Item 5 of this Schedule 13D/A, which disclosure is incorporated herein by reference. Except as disclosed in Item 3, Item 4 and Item 5 of this Schedule 13D/A, and except as otherwise described in this Item 6, to the best knowledge of each of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between the Reporting Persons and any other person with respect to any securities of the Company, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, divisions of profits or loss, or the giving or withholding of proxies, or a pledge or contingency, the occurrence of which would give another person voting power over the securities of the Company.

Messrs. Lipsky, Hokari and Musto, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea entered into that certain Exchange Agreement, dated May 29, 2009 (the *May Exchange Agreement* ), a copy of which is filed herewith as Exhibit 7.03 and incorporated herein by reference, and Mr. J. David and Mr. M. David have entered into that certain Exchange Agreement dated September 11, 2009 (the *September Exchange Agreement* and, together with the May Exchange Agreement, the *Exchange Agreements* ), a copy of which is filed herewith as Exhibit 7.06 and incorporated herein by reference. Pursuant to the Exchange Agreements, following the approval of the Merger Agreement by the Special Committee and the Board of Directors, each of Messrs. Lipsky, Musto, Hokari, J. David and M. David, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea will (i) exercise the any stock options held by them with an exercise price of $2.50 or less and (ii) transfer their respective outstanding shares of Common Stock, including shares of Common Stock acquired upon exercise of stock options, as described in (i) above but excluding, in the case of Ms. Lewis 545,350 shares of Common Stock, to the Acquisition Company in exchange for an equal number of shares of Series A Preferred Stock, par value $0.01 per share of the Acquisition Company (the *Exchange Shares*, and the transactions described in (i) and (ii), collectively, the *Exchanges* ). From and after the time of

the Exchange, each of Messrs. Lipsky, Musto, Hokari, J. David and M. David, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea shall have no further right, title or interest as a shareholder of Company or in or to the shares of Common Stock exchanged for Exchange Shares by such Reporting Person. In connection with the Exchanges, each of Messrs. Lipsky, Musto, Hokari, J. David and M. David, Dr. Morgan, Dr. Simons, Ms. Lewis and Shining Sea will also enter into a Stockholders Agreement, which will provide for the governance of the Surviving Corporation following the completion of the proposed Merger (the *Stockholders Agreement* ).

Shining Sea and Noah entered into that certain Share Purchase Agreement, dated September 30, 2009 (the *Shining Sea Purchase Agreement* ), a copy of which is filed herewith as Exhibit 7.09 and incorporated herein by reference. Pursuant to the Shining Sea Purchase Agreement, following the consummation of the proposed Merger, Shining Sea will sell to Noah 800,000 shares of Convertible Redeemable Preferred Stock, par value $0.01 per share, of the Surviving Corporation for an aggregate purchase price of $2,000,000. In connection with the Shining Sea Purchase Agreement, Noah will execute a joinder agreement to the Stockholders Agreement. Each of Shining Sea, Dynamic View Investments Limited, a British Virgin Islands limited liability company ( *Dynamic* ), and Global Wise Technologies Ltd., a British Virgin Islands limited liability company ( *Global* ), entered into that certain Share Purchase Agreement, dated September 30, 2009 (the *Noah Purchase Agreement* ), a copy of which is filed herewith as Exhibit 7.10 and incorporated herein by reference. Pursuant to the Noah Purchase Agreement, simultaneously with the closing of the Shining Sea Purchase Agreement, Dynamic and Global will sell to Shining Sea an aggregate of 365,630 Ordinary Shares of Noah for an aggregate purchase price of $1,999,996.10.

**ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.**

| | |
|---|---|
| Exhibit 7.01 | Joint Filing Agreement, dated May 29, 2009, among Barry J. Lipsky, Toshihide Hokari, Frank A. Musto, Howard L. Morgan, James H. Simons, Marcy Lewis and Shining Sea Limited. * |
| Exhibit 7.02 | Proposal dated May 20, 2009. * |
| Exhibit 7.03 | Exchange Agreement, dated May 29, 2009, among Saunders Acquisition Corporation, Barry J. Lipsky, Toshihide Hokari, Frank A. Musto, Howard L. Morgan, James H. Simons, Marcy Lewis and Shining Sea Limited. * |
| Exhibit 7.04 | Subscription Agreements, dated September 11, 2009, between Saunders Acquisition Corporation and each of Barry J. Lipsky, Howard L. Morgan, James H. Simons and Morton David. ** |
| Exhibit 7.05 | Revised Proposal dated September 11, 2009. ** |
| Exhibit 7.06 | Exchange Agreement, dated September 11, 2009, among Saunders Acquisition Corporation, Julien David and Morton David. ** |
| Exhibit 7.07 | Subscription Agreement, dated September 30, 2009, between Saunders Acquisition Corporation and Noah Education Holdings Ltd. |
| Exhibit 7.08 | Agreement and Plan of Merger, dated September 30, 2009, between Franklin Electronic Publishers, Incorporated and Saunders Acquisition Corporation. *** |

| | |
|---|---|
| Exhibit 7.09 | Shining Sea Purchase Agreement, dated September 30, 2009, between Shining Sea Limited and Noah Education Holdings Ltd. |
| Exhibit 7.10 | Noah Purchase Agreement, dated September 30, 2009, among Shining Sea Limited, Dynamic View Investments Limited and Global Wise Technologies Ltd. |
| Exhibit 7.11 | Joint Filing Agreement, dated September 16, 2009 among Barry J. Lipsky, Toshihide Hokari, Frank A. Musto, Howard L. Morgan, James H. Simons, Marcy Lewis, Shining Sea Limited, Julien David, Morton David and Noah Education Holdings Ltd. |

* Incorporated by reference on Schedule 13D filed with the SEC on May 29, 2009.
** Incorporated by reference on Schedule 13D Amendment No. 1 filed with the SEC on September 18, 2009.
*** Incorporated by reference as Exhibit 2.1 on Form 8-K filed with the SEC on September 30, 2009.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of: October 7, 2009

/s/ BARRY J. LIPSKY
**Barry J. Lipsky**

/s/ TOSHIHIDE HOKARI
**Toshihide Hokari**

/s/ FRANK A. MUSTO
**Frank A. Musto**

/s/ HOWARD L. MORGAN
**Howard L. Morgan**

/s/ JAMES H. SIMONS
**James H. Simons**

/s/ MARCY LEWIS
**Marcy Lewis**

SHINING SEA LIMITED

By: /s/ BARBARA PATTERSON
Name: **Barbara Patterson**
Title: **Director**

By: /s/ JOHN RICHMOND
Name: **John Richmond**
Title: **Director**

/s/ JULIEN DAVID
**Julien David**

/s/ MORTON DAVID
**Morton David**

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NOAH EDUCATION HOLDINGS LTD.

By: /s/ JERRY HE
Name: **Jerry He**
Title: **Executive Vice President**

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