

FRANKLIN RESOURCES INC  
Form 4  
September 01, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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**STATEMENT OF CHANGES IN 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 \*  
LUSK JOHN M

2. Issuer Name and Ticker or Trading Symbol  
FRANKLIN RESOURCES INC  
[BEN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/31/2006

\_\_\_\_ Director  
 Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
EVP-Portfolio Operations

C/O FRANKLIN RESOURCES, INC., ONE FRANKLIN PARKWAY

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

SAN MATEO, CA 944031906

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$.10	08/31/2006		M		11,253	A	\$ 36.3
							29,493.1596 (1)
Common Stock, par value \$.10	08/31/2006		S		11,253	D	\$ 98.05
							18,240.1596 (1)
Common Stock, par value \$.10	08/31/2006		M		818	A	\$ 31.68
							19,058.1596 (1)

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Common Stock, par value \$.10	08/31/2006	S	818	D	\$ 98.0732	18,240.1596 <u>(1)</u>	D	
Common Stock, par value \$.10						397.514 <u>(2)</u>	I	By 401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 31.68 <u>(3)</u>	08/31/2006		M	818 <u>(3)</u> <u>(4)</u>	09/29/2000 09/28/2007	Common Stock, par value \$.10 818 <u>(3)</u>
Employee Stock Option (Right to Buy)	\$ 36.3 <u>(3)</u>	08/31/2006		M	11,253 <u>(3)</u> <u>(5)</u>	09/30/2002 11/19/2011	Common Stock, par value \$.10 11,253 <u>(3)</u>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LUSK JOHN M C/O FRANKLIN RESOURCES, INC. ONE FRANKLIN PARKWAY SAN MATEO, CA 944031906			EVP-Portfolio Operations	

## Signatures

/s/ LUSK,  
JOHN M.

09/01/2006

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(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) Of the amount of securities beneficially owned, 11,550 shares represent unvested awards of restricted stock shares.
  - (2) Reporting person holds shares in Franklin Templeton Profit Sharing 401(k) Plan. Information is based on a plan statement as of June 15, 2006.
  - (3) Reflects adjustment in connection with the special cash dividend paid by Franklin Resources, Inc. on April 15, 2005.
  - (4) This report reflects the exercise of options originally granted on November 15, 1999.
  - (5) This report reflects the exercise of options originally granted on November 19, 2001.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.