

FRANKLIN CAPITAL CORP
Form DFAN14A
June 01, 2004

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

FRANKLIN CAPITAL CORPORATION

(Name of Registrant as Specified In Its Charter)

AULT GLAZER & COMPANY INVESTMENT MANAGEMENT LLC

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

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- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

[LETTERHEAD OF AULT GLAZER & COMPANY]

June 1, 2004

c/o Stephen L. Brown
Chairman and Chief Executive Officer
Board of Directors
Franklin Capital Corporation
450 Park Avenue, 20th Floor
New York, NY 10022
Dear Mr. Brown:

Filed By: Ault Glazer & Company
Investment Management LLC
Subject Company: Franklin Capital Corporation

Filed Pursuant to Rule 14a-12 Under the
Securities Exchange Act of 1934

As you know, Ault Glazer & Company Investment Management LLC ("Ault Glazer"), through various discretionary client accounts, is a major stockholder of Franklin Capital Corporation ("Franklin Capital"). Currently, Ault Glazer beneficially owns approximately 32% of the outstanding shares of common stock of Franklin Capital.

As business people with extensive executive and managerial experience and as stockholders with a substantial investment in Franklin Capital, we are sharply critical of the conduct of the incumbent management and the Board of Directors of Franklin Capital (the "Board"), including conduct related to breaches of the Board's fiduciary obligations and loyalty to its stockholders, extraordinary compensation payments to its executives, wasting of corporate assets, breach of duty of care, taking actions without proper stockholder approval and other matters.

We must insist that each member of the current board of directors immediately submit its resignation and appoint an independent slate of directors which we will provide to you. If we do not receive the resignation of each of the Board members by close of business on June 2, 2004, we will reserve the right to resort to all legal remedies available to us to remove the incumbent board and ensure that stockholder value in Franklin Capital is preserved.

We look forward to communicating with you promptly on the smooth replacement of the current board with our slate of independent designees.

Sincerely

/s/ MILTON AULT, III

Milton "Todd" Ault, III
Managing Partner
