

Boehnlein Glenn S
 Form 3/A
 May 17, 2018

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Boehnlein Glenn S		(Month/Day/Year)	STRYKER CORP [SYK]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
				04/07/2016
2825 AIRVIEW BLVD			(Check all applicable)	6. Individual or Joint/Group Filing(Check Applicable Line)
(Street)			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	<input checked="" type="checkbox"/> Form filed by One Reporting Person
KALAMAZOO,Â MIÂ 49002			<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input type="checkbox"/> Form filed by More than One Reporting Person
(City)	(State)	(Zip)	(give title below) (specify below)	
			VP, Chief Financial Officer	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock ⁽¹⁾	4,509	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

Shares (I)
(Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Boehnlein Glenn S 2825 AIRVIEW BLVD KALAMAZOO, MI 49002	Â	Â	Â VP, Chief Financial Officer	Â

Signatures

Lauren E. Keller, attorney-in-fact for Glenn S. Boehnlein 05/17/2018

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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).
- One line in the original filing is restated to gain access to the filing system. None of the information in the body of the original filing is (1) being amended via this amendment. The Form 3 is amended solely to add the reporting person's power of attorney, which was omitted from the original filing and is attached hereto as Exhibit 24.

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. p; /s/ Alan R. Simon

Alan R. Simon Secretary, Treasurer July 25, 2008 /s/ James Combias

James Combias Director July 25, 2008

3 %;">

(b) o

3

SEC Use Only

4

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Source of Funds (See Instructions)
WC

5

Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6

Citizenship or Place of Organization
State of Washington

Number of Shares Beneficially Owned by Each Reporting Person With

7

Sole Voting Power
3,456,499(1)

8

Shared Voting Power
-0-

9

Sole Dispositive Power
3,456,499(1)

10

Shared Dispositive Power
-0-

11

Aggregate Amount Beneficially Owned by Each Reporting Person

3,456,499(1)

Explanation of Responses:

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12

Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

13

Percent of Class Represented by Amount in Row (11)
9.6%

14

Type of Reporting Person (See Instructions)

OO

(1)All Common Shares held by Cascade Investment, L.L.C. (Cascade) may be deemed to be beneficially owned by William H. Gates III as the sole member of Cascade.

2

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CUSIP No. 689648103

1	Names of Reporting Persons. William H. Gates III	
2	Check the Appropriate Box if a Member of a Group (See Instructions)	
	(a) <input type="radio"/>	
	(b) <input type="radio"/>	
3	SEC Use Only	
4	Source of Funds (See Instructions) WC	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>	
6	Citizenship or Place of Organization United States of America	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 3,456,499(1)
	8	Shared Voting Power -0-
	9	Sole Dispositive Power 3,456,499(1)
	10	Shared Dispositive Power -0-
11	Aggregate Amount Beneficially Owned by Each Reporting Person 3,456,499(1)	

Explanation of Responses:

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12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o	
13	Percent of Class Represented by Amount in Row (11) 9.6%	
14	Type of Reporting Person (See Instructions) IN	

(1)All Common Shares held by Cascade Investment, L.L.C. (Cascade) may be deemed to be beneficially owned by William H. Gates III as the sole member of Cascade.

EXPLANATORY STATEMENT

This Amendment No. 6 to Schedule 13D (Amendment No. 6) relates to the Common Shares, par value \$5.00 per share (the Common Shares), of Otter Tail Corporation (the Issuer). Cascade Investment, L.L.C. (Cascade) and William H. Gates III (collectively, the Reporting Persons) jointly file this Amendment No. 6 to amend and supplement the Items set forth below of the Reporting Persons Schedule 13D previously filed with the Securities and Exchange Commission on January 22, 2009, as amended on April 15, 2009, May 4, 2009, July 2, 2009, October 7, 2009 and June 29, 2010 (the Schedule 13D). Unless otherwise noted, capitalized terms used herein without definitions shall have the meanings assigned to them in the Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a) See items 11 and 13 of the cover pages to this Schedule 13D for the aggregate number and percentage of Common Shares beneficially owned by each of the Reporting Persons.

(b) See items 7 through 10 of the cover pages to this Schedule 13D for the number and percentage of Common Shares beneficially owned by each of the Reporting Persons as to which there is sole power to vote or to direct the vote, shared power to vote or to direct the vote, and sole or shared power to dispose or to direct the disposition.

(c) None.

(d) None.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

At the request of the Issuer, Cascade has agreed to amend the Note Purchase Agreement between the Issuer and Cascade, dated February 23, 2007, previously amended December 14, 2007, June 30, 2009 and June 28, 2010 (the Note Purchase Agreement), concerning the Issuer's \$50,000,000 Senior Note due November 30, 2017, issued to Cascade thereunder. Pursuant to Amendment No. 4 to the Note Purchase Agreement, dated July 29, 2010 (the Note Amendment), Cascade agreed to amend the definition of Consolidated Net Income, effective June 30, 2010, to exclude impairment charges, asset write-offs and the amortization of intangibles, which definition is used for purposes of calculating the interest charge coverage ratio under the Note Purchase Agreement.

The description of the Note Amendment included in this Item 6 is qualified in its entirety by reference to the full text of the amendment, a copy of which is attached as Exhibit 4.1 to the Issuer's Form 8-K, filed with the SEC on August 3, 2010, incorporated herein by reference.

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Other than as previously disclosed and set forth herein, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons and between such persons and any persons with respect to any securities of the Issuer, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profit, division of profit or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits

Exhibit 99.1 Note Amendment, dated July 29, 2010, by and between Cascade and the Issuer, incorporated herein by reference to Exhibit 4.1 to the Issuer's Form 8-K, filed with the SEC on August 3, 2010

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.

Date: August 3, 2010

CASCADE INVESTMENT, L.L.C.(1)

By: *
Name: Alan Heuberger
Title: Attorney-in-fact for
Michael Larson, Business
Manager (2)

WILLIAM H. GATES III(1)

By: *
Name: Alan Heuberger
Title: Attorney-in-fact for
William H. Gates III(3)

* By: /s/Alan Heuberger
Alan Heuberger

(1) This Amendment No. 6 is being filed jointly by the Reporting Persons pursuant to the Joint Filing Agreement dated January 21, 2009 and included with the signature page to the Reporting Persons Schedule 13D with respect to the Issuer's predecessor filed on January 22, 2009, SEC File No. 005-06638, and incorporated by reference herein.

(2) Duly authorized under Special Limited Power of Attorney appointing Alan Heuberger attorney-in-fact, dated August 12, 2008, by and on behalf of Michael Larson, filed as Exhibit 99.1 to Amendment No. 1 to the Reporting Persons Schedule 13D with respect to the Issuer's predecessor on April 15, 2009, SEC File No. 005-06638 and incorporated by reference herein.

(3) Duly authorized under Special Limited Power of Attorney appointing Alan Heuberger attorney-in-fact, dated August 12, 2008, by and on behalf of William H. Gates III, filed as Exhibit 99.2 to the Amendment No. 1 to the Reporting Persons Schedule 13D with respect to the Issuer's predecessor on April 15, 2009, SEC File No. 005-06638 and incorporated by reference herein.

ted basis and have 64.7% of voting control. Excelsior is a majority-owned affiliate of Franklin and was incorporated in 1999 under the laws of the State of Delaware. Excelsior had no operations until August 2001 when a group led by Franklin invested in Excelsior for the purpose of acquiring certain assets from Winstar Radio Networks, LLC, Winstar Global Media, Inc. and Winstar Radio Productions, LLC. Excelsior's principal executive offices are located at 450 Park Avenue, 10th Floor, New York, NY 10022. On April 3, 2002, Dial Communications Global Media, Inc.

("DCGM"), a newly formed wholly-owned subsidiary of Excelsior Radio Networks, Inc. ("Excelsior"), completed the acquisition of substantially all of the assets of Dial Communications Group, Inc. ("DCGI"), and Dial Communications Group, LLC ("DCGL" and together with DCGI, the "Dial Entities") used in connection with the Dial Entities' business of selling advertising relating to radio programming (the "Dial Acquisition"). The Dial Acquisition was completed pursuant to the Asset Purchase Agreement (the "Purchase Agreement"), dated as of April 1, 2002, by and among the Dial Entities, Franklin and Excelsior. Immediately prior to the closing of the transactions contemplated by the Purchase Agreement, Excelsior assigned all of its rights and obligations under the Purchase Agreement, as well as certain other assets and liabilities relating to the portion of Excelsior's business dedicated to the sale of advertising relating to radio programming, to DCGM. The total purchase price for the Dial Acquisition will be an amount between \$8,880,000 and \$13,557,500. The initial consideration for the Dial Acquisition consisted of \$6,500,000 in cash and a three year promissory note bearing interest at 4.5% issued by DCGM in favor of DCGL in the aggregate principal amount of \$460,000. In addition, the Purchase Agreement provides for the minimum payment of \$1,920,000 of additional consideration, which is subject to increase to a maximum amount of \$6,597,500 based upon the attainment of certain revenue and earnings objectives in 2002 and 2003. The additional 19 consideration will be comprised of both cash and two additional promissory notes bearing interest at 4.5% issued by DCGM in favor of DCGL, each with an initial aggregate principal amount of \$460,000 that is subject to increase upon the attainment of such revenue and earnings objectives. Each of the promissory notes issued in consideration of the Dial Acquisition is convertible into shares of Franklin's common stock at a premium of 115% to 120% of the average closing prices of Franklin's common stock during a specified pre and post closing measurement period. The promissory notes are not convertible for at least a one-year period. Excelsior has paid to Franklin an amount equal to \$300,000 in consideration of Franklin's obligations in connection with any Franklin common stock that may be issued pursuant to the terms of the Purchase Agreement or the promissory notes issued in consideration of the Dial Acquisition. The assets purchased in the Dial Acquisition were combined with Excelsior's Global Media division to create a national radio sales representation company with 2001 advertising sales revenues of almost \$50 million and a client roster of over fifty independent radio production companies. Excelsior creates, produces, distributes and is a sales representative for national radio programs and offers other miscellaneous services to the radio industry. Excelsior offers radio programs to the industry in exchange for commercial broadcast time, which Excelsior sells to national advertisers. Excelsior currently offers approximately 150 programs to over 2,000 radio stations across the country. The group of radio stations who contract with Excelsior to broadcast a particular program constitutes a radio network. Excelsior derives its revenue from selling the commercial broadcast time on its radio networks to advertisers desiring national coverage. Excelsior currently produces 23 network programs targeting the most popular radio formats, including adult contemporary, rock, urban oldies, album oriented rock, comedy and country. Excelsior produces both short form and long form programs. Short form features are two to three minute daily vignettes and include such programs as "African Americans Making History." Long form programs, such as "Walt `Baby' Love's The Countdown" and "Gospel Traxx," "Keeping The Seventies Alive," "Behind the Hits" and "All Star Mix Party" are programs that range from one to four hours in length. Excelsior offers these programs to radio stations free of charge. The radio stations airing these programs become networks for Excelsior to sell advertising time. Excelsior sells the commercial broadcast time inside of these networks to advertisers desiring national coverage. On August 28, 2001, the Corporation purchased \$2,500,000 worth of Excelsior Common Stock and issued a secured note for \$150,000. In connection with this note, Franklin was granted warrants to acquire 12,879 shares of Excelsior common stock at an exercise price of \$1.125 per share. On November 28, 2001, \$75,000 of the secured note was paid back to Franklin. On February 28, 2002, the remaining \$75,000 of the secured note was paid back to Franklin. As part of the merger agreement between Franklin and Change, Franklin sold to Change 250,000 shares of its common stock in Excelsior. Franklin is obligated to repurchase the 250,000 shares of Excelsior's common stock by August 29, 2002, for \$250,000 plus interest at an annual rate of 10% from December 4, 2001 to the date of repurchase. ALACRA CORPORATION At June 30, 2002, the Corporation had an investment in Alacra Corporation ("Alacra"), valued at \$1,000,000, which represents 14.7% of the Corporation's total assets and 19.4% of its net assets. Alacra, headquartered in New York and London, is a leading provider of Internet-based online information services. Alacra provides a service called .xls, which aggregates and cross-indexes over 70 premier business databases, delivering information directly to Microsoft Excel, HTML, Microsoft Word or PDF formats at the desktop. Other products include privatesuite(TM), a fast, easy, cost-effective way to identify and retrieve profiles of privately held companies around the world; compbook(TM), a

tool for company peer analysis; and Portal B(TM), a fully integrated business information portal. On April 20, 2000, the Corporation purchased \$1,000,000 worth of Alacra Series F Convertible Preferred Stock. In connection with this investment, Franklin was granted observer rights for Alacra Board of Directors meetings. 20 EXCOM VENTURES, LLC At June 30, 2002, the Corporation had an investment in Excom Ventures, LLC ("Excom") valued at \$0. Excom was formed as a limited liability holding company for the purpose of investing in Expert Commerce, Inc. ("Expert Commerce"). Expert Commerce is a Business-to-Business purchase evaluation engine that simulates the way people make decisions. Based on intelligent and proven technology, the engine helps structure complex decisions and provides an audit trail to justify transactions, empowering buyers to make purchase decisions with confidence. On June 26, 2000, the Corporation purchased \$140,000 worth of Excom Units. At December 31, 2001, the Board of Franklin had determined that this investment had no value and had marked these securities down to reflect that determination. PRIMAL SOLUTIONS, INC. The Corporation no longer has an investment in Primal Solutions, Inc. ("Primal"). On February 13, 2001, Primal was spun-off from Avery Communications, Inc. ("Avery"). As a result of this spin-off Franklin received 1,533,938 fully registered and marketable shares of common stock of Primal at an allocated cost basis of \$245,430. During the six months ended June 30, 2002, Franklin sold its remaining position of 383,938 shares for total proceeds of \$28,715, realizing a loss of \$32,715. STRUCTURED WEB, INC. At June 30, 2002, the Corporation had an investment in Structured Web, Inc. ("Structured Web") valued at \$0. Structured Web develops web building blocks to enable small businesses to create and manage their own digital nerve system easily and at an affordable price. Structured Web's object-based proprietary technology enables customers to choose from a growing selection of "WebBlocks" including content, communication, commerce and services. On August 8, 2000, the Corporation purchased \$350,000 worth of Structured Web convertible preferred stock. On May 30, 2002, the Corporation sold its position in Structured Web for \$50,000 realizing a loss of \$300,000. As part of the sale price, the Corporation maintained the right to receive 50% of any proceeds received by the purchaser in excess of the \$50,000 purchase price. The Corporation has valued this right at \$0, as it cannot be determined at this time if the Corporation will receive any funds from this right. RESULTS OF OPERATIONS INVESTMENT INCOME AND EXPENSES: The Corporation's principal objective is to achieve capital appreciation through long-term investments in businesses believed to have favorable growth potential. Therefore, a significant portion of the investment portfolio is structured to maximize the potential for capital appreciation and provides little or no current yield in the form of dividends or interest. The Corporation earns interest income from loans, preferred stocks, corporate bonds and other fixed income securities. The amount of interest income varies based upon the average balance of the Corporation's fixed income portfolio and the average yield on this portfolio. The Corporation had investment income of \$212,109 and \$57,359 for the six months ended June 30, 2002 and 2001, respectively. The increase in investment income for the six months ended June 30, 2002 when compared to June 30, 2001, was primarily the result of the receipt of a management fee from Excelsior. The Corporation had investment income of \$120,560 and \$14,802 for the three months ended June 30, 2002 and 2001, respectively. The increase in investment income for the three months ended June 30, 2002 when compared to June 30, 2001, was primarily the result of a management fee from Excelsior. 21 Operating expenses were \$901,005 and \$818,747 for the six months ended and \$555,015 and \$386,093 for the three months ended June 30, 2002 and 2001, respectively. A majority of the Corporation's operating expenses consist of employee compensation, office and rent expense, other expenses related to identifying and reviewing investment opportunities and professional fees. Professional fees consist of general legal fees, audit and tax fees and investment related legal fees. The Corporation accrued \$200,000 in expenses related to the terminated merger with Change. The Corporation was reimbursed approximately \$60,000 for salary and benefit expense for its chief financial officer under the terms of the management agreement with Excelsior. This reimbursement has been recorded as a reduction in operating expenses. Net investment losses from operations were \$688,896 and \$761,388 for the six months ended and \$434,455 and \$371,291 for the three months ended June 30, 2002 and 2001, respectively. The decrease resulted primarily from the decrease in expenses noted above. The Corporation has relied and continues to rely to a large extent upon proceeds from sales of investments rather than investment income to defray a significant portion of its operating expenses. Because such sales cannot be predicted with certainty, the Corporation attempts to maintain adequate working capital to provide for fiscal periods when there are no such sales. NET REALIZED GAINS AND LOSSES ON PORTFOLIO OF INVESTMENTS: During the six months ended June 30, 2002 and 2001, the Corporation realized net (losses) gains before taxes of (\$332,716) and \$724,955 respectively, from the disposition of various investments. UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS: Unrealized appreciation of investments,

increased by \$3,036,248 during the six months ended June 30, 2002, primarily from unrealized gains on the value of Excelsior. Unrealized appreciation of investments, decreased by \$1,532,721 during the six months ended June 30, 2001, primarily from unrealized losses due to the decrease in value of Franklin's investment in Go America as well as the sale of a significant portion of Franklin's holdings in Go America. This decrease was partially offset by the sale of Franklin's investment in Avery Communications.

LIQUIDITY AND CAPITAL RESOURCES The accompanying financial statements have been prepared assuming that the Corporation will continue as a going concern. For the six months ended June 30, 2002 and for the years ended December 31, 2001, and 2000, the Corporation has incurred a net investment loss from operations of approximately \$0.5 million, \$1.4 million, and \$2.3 million, respectively, and has a working capital deficiency of approximately \$1.4 million at June 30, 2002. (Working capital is defined as total liabilities less liquid assets.) These conditions raise substantial doubt about the Corporation's ability to continue as a going concern. In order to alleviate the substantial doubt about the Corporation's ability to continue as a going concern, the Corporation is seeking a merger partner or an alternative financing source. There can be no assurance that the Corporation would be able to find a suitable merger partner or be able to obtain alternative financing. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability of assets or the amounts of liabilities that may result from the outcome of this uncertainty. Franklin is obligated to repurchase the 250,000 shares of Excelsior's common stock by August 29, 2002 for \$250,000 plus interest at an annual rate of 10% from December 4, 2001 to the date of repurchase. As of June 30, 2002, the \$250,000 for the repurchase as well as \$200,000 in estimated expenses related to the merger have been accrued for by Franklin.

22 RISK FACTORS

There are significant risks inherent in the Corporation's venture capital business. The Corporation has invested a substantial portion of its assets in small private companies and one bulletin board listed public corporation. Because of the speculative nature of these investments, there is significantly greater risk of loss than is the case with traditional investment securities. The Corporation expects that from time to time its venture capital investments may result in a complete loss of the Corporation's invested capital or may be unprofitable. Other investments may appear likely to become successful, but may never realize their potential. Neither the Corporation's investments nor an investment in the Corporation is intended to constitute a balanced investment program. The Corporation has in the past relied and continues to rely to a large extent upon proceeds from sales of investments rather than investment income to defray a significant portion of its operating expenses.

INVESTING IN PRIVATE COMPANIES INVOLVES A HIGH DEGREE OF RISK. The Corporation's portfolio consists primarily of investments in private companies. Investments in private businesses involve a high degree of business and financial risk, which can result in substantial losses and accordingly should be considered speculative. There is generally no publicly available information about the companies in which Franklin invests, and Franklin relies significantly on the diligence of its employees and agents to obtain information in connection with the Corporation's investment decisions. In addition, some smaller businesses have narrower product lines and market shares than their competitors, and may be more vulnerable to customer preferences, market conditions or economic downturns, which may adversely affect the return on, or the recovery of, the Corporation's investment in such businesses.

THE PORTFOLIO OF INVESTMENTS IS ILLIQUID. Franklin acquires most of its investments directly from private companies. The majority of the investments in its portfolio will be subject to restrictions on resale or otherwise have no established trading market. The illiquidity of most of the portfolio may adversely affect Franklin's ability to dispose of loans and securities at times when it may be advantageous to liquidate such investments.

FRANKLIN'S PORTFOLIO INVESTMENTS ARE RECORDED AT FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS IN ABSENCE OF READILY ASCERTAINABLE PUBLIC MARKET VALUES. Pursuant to the requirements of the 1940 Act, the Corporation's board of directors is required to value each asset quarterly, and Franklin is required to carry the portfolio at a fair market value as determined by the board of directors. Since there is typically no public market for the loans and equity securities of the companies in which Franklin makes investments, the board of directors estimates the fair value of these loans and equity securities pursuant to written valuation policy and a consistently applied valuation process. Unlike banks, Franklin is not permitted to provide a general reserve for anticipated loan losses; instead, Franklin is required by the 1940 Act to specifically value each individual investment and record an unrealized loss for an asset that it believes has become impaired. Without a readily ascertainable market value, the estimated value of the portfolio of loans and equity securities may differ significantly from the values that would be placed on the portfolio if there existed a ready market for the loans and equity securities. Franklin adjusts quarterly the valuation of the portfolio to reflect the board of directors' estimate of the current realizable value of each investment in the Corporation's portfolio.

Any changes in estimated value are recorded in the Corporation's statement of operations as "Net unrealized gains (losses)." **FRANKLIN OPERATES IN A COMPETITIVE MARKET FOR INVESTMENT OPPORTUNITIES.** Franklin competes for investments with many other companies and individuals, some of whom have greater resources than does Franklin. Increased competition would make it more difficult to purchase or originate investments at attractive prices. As a result of this competition, sometimes Franklin may be precluded from making otherwise attractive investments. **QUARTERLY RESULTS MAY FLUCTUATE AND MAY NOT BE INDICATIVE OF FUTURE QUARTERLY PERFORMANCE.** The Corporation's quarterly operating results could fluctuate, and therefore, you should not rely on quarterly results to be indicative of Franklin's performance in future quarters. Factors that could cause quarterly operating results to fluctuate include, among others, variations in the investment origination volume, variation in timing of prepayments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which Franklin encounters competition in its markets and general economic conditions. **FRANKLIN IS DEPENDENT UPON KEY MANAGEMENT PERSONNEL FOR FUTURE SUCCESS.** Franklin is dependent for the selection, structuring, closing and monitoring of its investments on the diligence and skill of its senior management members and other management members. The future success of the Corporation depends to a significant extent on the continued service and coordination of its senior management team, particularly the Chairman and Chief Executive Officer. The departure of any of the executive officers or key employees could materially adversely affect the Corporation's ability to implement its business strategy. Franklin does not maintain key man life insurance on any of its officers or employees. **THERE IS SUBSTANTIAL DOUBT AS TO FRANKLIN'S ABILITY TO CONTINUE AS A GOING CONCERN.** Franklin has determined that it may not have sufficient cash and cash equivalents to meet its working capital requirements over the next fiscal year. Franklin's independent auditors have issued an opinion in which the independent auditors have indicated that there is substantial doubt as to Franklin's ability to continue as a going concern as noted in their explanatory paragraph within their opinion, which is noted in Franklin's year-end financial statements. Franklin is seeking financing alternatives to continue operating through the current fiscal year. If funds were not raised, Franklin may not be able to continue its operations.

INVESTMENT IN SMALL, PRIVATE COMPANIES There are significant risks inherent in the Corporation's venture capital business. The Corporation has invested a substantial portion of its assets in private development stage or start-up companies. These private businesses tend to be thinly capitalized, unproven, small companies with risky technologies that lack management depth and have not attained profitability or have no history of operations. Because of the speculative nature and the lack of a public market for these investments, there is significantly greater risk of loss than is the case with traditional investment securities. The Corporation expects that some of its venture capital investments will be a complete loss or will be unprofitable and that some will appear to be likely to become successful but never realize their potential. The Corporation has been risk seeking rather than risk averse in its approach to venture capital and other investments. Neither the Corporation's investments nor an investment in the Corporation is intended to constitute a balanced investment program. The Corporation has in the past relied, and continues to rely to a large extent, upon proceeds from sales of investments rather than investment income to defray a significant portion of its operating expenses.

ILLIQUIDITY OF PORTFOLIO INVESTMENTS Most of the investments of the Corporation are or will be equity securities acquired directly from small companies. The Corporation's portfolio of equity securities is and will usually be subject to restrictions on resale or otherwise have no established trading market. The illiquidity of most of the Corporation's portfolio of equity securities may adversely affect the ability of the Corporation to dispose of such securities at times when it may be advantageous for the Corporation to liquidate such investments. **THE INABILITY OF THE CORPORATION'S PORTFOLIO COMPANIES TO SUCCESSFULLY MARKET THEIR PRODUCTS WOULD HAVE A NEGATIVE IMPACT ON ITS INVESTMENT RETURNS** Even if the Corporation's portfolio companies are able to develop commercially viable products, the market for new products and services is highly competitive and rapidly changing. Commercial success is difficult to predict and the marketing efforts of the Corporation's portfolio companies may not be successful.

FLUCTUATIONS OF QUARTERLY RESULTS The Corporation's quarterly operating results could fluctuate as a result of a number of factors. These include, among others, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which the Corporation encounters competition in its markets and general economic conditions. As a result of these factors, results for any one quarter should not be relied upon as being indicative of performance in future quarters.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK The Corporation's business activities contain elements of risk. The Corporation considers a principal

type of market risk to be valuation risk. Investments are stated at "fair value" as defined in the 1940 Act and in the applicable regulations of the Securities and Exchange Commission. All assets are valued at fair value as determined in good faith by, or under the direction of, the Board of Directors. Neither the Corporation's investments nor an investment in the Corporation is intended to constitute a balanced investment program. The Corporation has exposure to public-market price fluctuations to the extent of its publicly traded portfolio. The Corporation has invested a substantial portion of its assets in private development stage or start-up companies. These private businesses tend to be thinly capitalized, unproven, small companies that lack management depth and have not attained profitability or have no history of operations. Because of the speculative nature and the lack of public market for these investments, there is significantly greater risk of loss than is the case with traditional investment securities. The Corporation expects that some of its venture capital investments will be a complete loss or will be unprofitable and that some will appear to be likely to become successful but never realize their potential. Because there is typically no public market for the equity interests of the small companies in which the Corporation invests, the valuation of the equity interests in the Corporation's portfolio is subject to the estimate of the Corporation's Board of Directors. In making its determination, the Board may consider valuation information provided by an independent third party or the portfolio company itself. In the absence of a readily ascertainable market value, the estimated value of the Corporation's portfolio of equity interests may differ significantly from the values that would be placed on the portfolio if a ready market for the equity interests existed. Any changes in valuation are recorded in the Corporation's consolidated statements of operations as "Net increase (decrease) in unrealized appreciation on investments."

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS On October 15, 2001, Jeffrey A. Leve and Jeffrey Leve Family Partnership, L.P. filed a lawsuit against Franklin, Sunshine Wireless, LLC ("Sunshine") and four other defendants affiliated with Winstar Communications, Inc. in the Superior Court of the State of California for the County of Los Angeles. The lawsuit, which has subsequently been removed to the United States District Court for the Central District of California, alleges that the Winstar defendants conspired to commit fraud and breached their fiduciary duty to the plaintiffs in connection with the acquisition of the plaintiffs' radio production and distribution business. The complaint further alleges that Franklin and Sunshine joined the alleged conspiracy. The business was initially acquired by certain entities affiliated with Winstar Communications and, subsequently, the assets of such business were sold to Franklin and Sunshine (see Note 6). Concurrently with such purchase, Franklin transferred such assets to Excelsior. The plaintiffs seek recovery of damages in excess of \$10,000,000, costs and attorneys' fees. On January 7, 2002, Franklin filed a motion to dismiss the lawsuit or, in the alternative, to transfer venue to the United States District Court of the Southern District of New York. The plaintiffs filed a motion opposing Franklin's request on January 28, 2002. Franklin's motion for dismissal was granted on February 25, 2002, due to improper venue. On June 7, 2002, the plaintiffs filed their complaint to the United States District Court of the Southern District of New York. On July 12, 2002, Franklin filed a motion to dismiss the complaint. Franklin believes that plaintiffs' claims are without merit and intends to defend this lawsuit vigorously, though the outcome cannot be predicted at this time. An unfavorable 25 outcome in this lawsuit may have a material adverse effect on Franklin's business, financial condition and results of operations.

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS Not applicable

Item 3. DEFAULTS UPON SENIOR SECURITIES HOLDERS Not applicable

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS Not applicable

Item 5. OTHER INFORMATION Not applicable

Item 6. EXHIBITS AND REPORTS ON FORM 8-K (a) Exhibits Exhibit 99.1 Certification Pursuant To 18 U.S.C. Section 1350, As Adopted By Section 906 Of The Sarbanes-Oxley Act Of 2002 (b) Reports on Form 8-K. The Corporation filed a report on Form 8-K on April 3, 2002 announcing the acquisition of the Dial Entities and filed a report on Form 8-K on July 1, 2002 announcing the termination of the merger with Change Technology Partners, Inc.

SIGNATURE 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, thereunto duly authorized.

FRANKLIN CAPITAL CORPORATION Date: August 14, 2002 By: /s/ ----- Stephen L. Brown **CHAIRMAN AND CHIEF EXECUTIVE OFFICER** /s/ ----- Hiram M. Lazar **CHIEF FINANCIAL OFFICER** 26