Franchise Holdings International, Inc.
Form 10-K
December 29, 2009

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended: September 30, 2009

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-27631

Franchise Holdings International, Inc.
(Exact Name of Small Business Issuer as specified in its charter)

Nevada (State or other jurisdiction of incorporation)	65-0782227 (IRS Employer File Number)
5910 South University Boulevard, C-18, Unit 165 Littleton, Colorado (Address of principal executive offices)	80121-2800 (zip code)

(303) 220-5001
(Registrant's telephone number, including area code)

Securities to be Registered Pursuant to Section 12(b) of the Act: None

Securities to be Registered Pursuant to Section 12(g) of the Act:
Common Stock, $.0.001 per share par value

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [X].

Indicate by check mark if registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.Yes [] No [X].

Indicate by check mark whether the registrant (1) has filed all Reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: [ ] No: [X]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T(Section 232.405 of this chapter) during the preceding 12 months(or such shorter period that the registrant was required to submit and post such files. Yes [] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer,” and “small reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer []	Accelerated filer []
Non-accelerated filer [] (Do not check if a smaller reporting company)	Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes [] No [X].

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter: approximately $71,000.

FORM 10-K

Franchise Holdings International, Inc.

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References in this document to “Franchise Holdings,” "us," "we," or "Company" refer to Franchise Holdings International, Inc.

Forward-Looking Statements

The following discussion contains forward-looking statements regarding us, our business, prospects and results of operations that are subject to certain risks and uncertainties posed by many factors and events that could cause our actual business, prospects and results of operations to differ materially from those that may be anticipated by such forward-looking statements. Factors that may affect such forward-looking statements include, without limitation: our ability to successfully develop new products and services for new markets; the impact of competition on our revenues, changes in law or regulatory requirements that adversely affect or preclude clients from using us for certain applications; delays our introduction of new products or services; and our failure to keep pace with our competitors. When used in this discussion, words such as “believes”, “anticipates”, “expects”, “intends” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We undertake no obligation to revise any forward-looking statements in order to reflect events or circumstances that may subsequently arise. Readers are urged to carefully review and consider the various disclosures made by us in this report and other reports filed with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect our business.

PART I

Item 1. DESCRIPTION OF BUSINESS.

Narrative Description of the Business

Our History

We were originally incorporated as FSGI corporation under the laws of the State of Florida in 1997 as a holding company for the purpose of acquiring Financial Standards Group, Inc. (FSG). That year FSGI Corporation acquired FSG, a Florida company organized in October 1989, to assist credit unions in performing financial services. FSG offered financial services to credit unions as a wholly-owned subsidiary until its sale in January 2000.

On December 21, 1998, FSGI Corporation, at the time a publicly traded company trading on the OTCBB as FSGI, acquired all of the outstanding common stock of The Martial Arts Network On-Line, Inc., a wholly owned subsidiary of The Martial Arts Network, Inc. The Martial Arts Network On-Line, Inc., a company organized under the laws of the State of Florida, was developed in 1996 by its parent company The Martial Arts Network, Inc. as an electronic forum dedicated to promoting education and awareness of martial arts through its web site. Upon issuance of shares, and options to purchase shares of FSGI Corporation's common stock to The Martial Arts Network, Inc., that company became the controlling stockholder of FSGI Corporation.

TMANglobal.com, Inc. ("TMAN"), a corporation formed under the laws of the State of Florida, as the result of a merger between FSGI Corporation and The Martial Arts Network On-Line, Inc. on December 21, 1998.

Franchise Holdings was incorporated in the State of Nevada on April 2, 2003. Franchise Holdings International, Inc. completed a merger with TMAN Global.com Inc. on April 30, 2003. This merger was in the nature of a change in domicile of the Florida corporation to the State of Nevada, as well as the acquisition of a new business. Since the inception of our current business operations, we have been in the business of acquiring franchise, license and distribution rights in new and emerging growth companies.

Operations

General

We are engaged in the business of marketing franchises. We currently possesses such rights in a tanning and beauty salon, a financial/mortgage firm, a medical clinic, and a consumer products/services company.
At the present time, we have no plans to raise any additional funds within the next twelve months. Any working capital will be expected to be generated from internal operations. However, we reserve the right to examine possible additional sources of funds, including, but not limited to, equity or debt offerings, borrowings, or joint ventures. Limited market surveys have ever been conducted to determine demand for our products and services. Therefore, there can be no assur–ance that any of its objectives will be achieved.

Nature of Products and Services

Our principal activities are to acquire franchise, license and distribution rights in new and emerging growth companies.

We currently have such rights in our portfolio to a tanning and beauty salon, a financial/mortgage firm, a medical clinic, and a consumer products/services company:

Endless Summer Tan- founded in 1999, is a tanning, hair, and beauty salon.

Forever Young Rejuvenation Clinics- plans to offer the most advanced, state-of-the-art, and innovative medical treatments in the Medi-Spa industry.

Monarch Funding-a mortgage company.

We have a web site at www.fnhi.net.

Markets

We plan to continue to market our through the internet and using traditional methods such as print and other media. Currently, we have a marketing strategy, which uses the media, along with our web site, to market our products nationwide. We plan to add new accounts through direct solicitation, fax blast marketing, mass e-mail marketing, and participation in franchise industry trade shows.

Raw Materials

The use of raw materials is not now a material factor in our operations.

Customers and Competition

The franchise business is a highly competitive and fragmented industry, with no one single company or group of companies having a large market share. Our operational activities focus primarily on the franchise sales business, in which there is a great deal of competition. We anticipate that competition will come from a number of sources, many of which will have greater resources than we do. All franchisors in the United States are potential competitors. There can be no guarantee that we will be able to compete successfully over the short term or long term.

Employees

Currently, we employ one full-time person, our President. We may hire additional employees in the future to facilitate anticipated growth projections. We reimburse our employee for all necessary and customary business related expenses.

We have no plans or agreements which provide health care, insurance or compensation on the event of termination of employment or change in our control.

Proprietary Information

We own no proprietary information.

Government Regulation

We believe that governmental regulation will not be significant to us now or in the future.

Research and Development

We have never spent any amount in research and development activities.

Environmental Compliance

We believe that we are not subject to any material costs for compliance with any environmental laws.

How to Obtain our SEC Filings

We file annual, quarterly, and special reports, proxy statements, and other information with the Securities Exchange Commission (SEC). Reports, proxy statements and other information filed with the SEC can be inspected and copied at the public reference facilities of the SEC at 100 F Street N.E., Washington, DC 20549. Such material may also be accessed electronically by means of the SEC's website at www.sec.gov.

Our investor relations department can be contacted at our principal executive office located at our principal office 5910 South University Boulevard, C-18, Unit 165, Littleton, Colorado 80121-2800. Our phone number is (303) 220-5001. Our website is www. fnhi.net

ITEM 1A. RISK FACTORS

You should carefully consider the risks and uncertainties described below and the other information in this document before deciding to invest in shares of our common stock. The occurrence of any of the following risks could materially and adversely affect our business, financial condition and operating result. In this case, the trading price of our common stock could decline and you might lose all or part of your investment.

We do not have a sustained history of profits in our operations and there is no guarantee we will ever become profitable.

We were formed in 1997. We began our present operations in 2003. From the time we began operations until the present, we operated at a loss. We had a net profit of $360,318 for the fiscal year ended September 30, 2009, compared to a net loss of $43,841 for the fiscal year ended September 30, 2008. The profit for the fiscal year ended September 30, 2009 represented an extraordinary event. We settled a number of debts during the fiscal year and thereby showed a gain of $388,095 as a result. Otherwise, we have had several years of losses and our losses may continue into the future. Since we have no history of profitability over a sustained period of time, we have limited financial results upon which you may judge our potential. While we do not expect to continue to incur losses in the near future, there can be no guarantee that we will be able to sustain our profitable operations. We have experienced in the past and may experience in the future under-capitalization, shortages, setbacks and many of the problems, delays and expenses encountered by any business, many of which are beyond our control. These include:

Lack of capital for operations,

Substantial delays and expenses related to testing and development of new products,

Development and marketing problems encountered in connection with our new and existing products,

Competition from larger and more established companies, and

Lack of market acceptance of our products.

Because we have incurred losses from current operations, our accountants have expressed doubts about our ability to continue as a going concern.

For the fiscal year ended September 30, 2009, our accountants have expressed doubt about our ability to continue as a going concern as a result of limited assets and operating losses. Based upon current plans, we expect to incur operating losses in future periods because we will be incurring expenses and not generating sufficient revenues. We expect our operating costs to range between $20,000 and $30,000 for the fiscal year ending September 30, 2010. We cannot guarantee that we will be successful in generating sufficient revenues or other funds in the future to cover these operating costs. Failure to generate sufficient revenues will cause us to go out of business.

Because of our lack of a profitable history and the fact that we are subject to intense competition, any investment in us would be inherently risky.

Because we are a company with no history of profitability and activity in a business which is extremely competitive and subject to numerous risks, any investment in us would be inherently risky. Substantially all of our competitors have greater financial resources and longer operating histories than we have and can be expected to compete within the business in which we engage and intend to engage. There can be no assurance that we will have the necessary resources to become or remain competitive. We are subject to the risks, which are common to all companies with a lack of profitable history. Therefore, investors should consider an investment in us to be an extremely risky venture.

We remain at risk regarding our continued ability to conduct successful operations. As a result, the investment of our shareholders to be impaired or lost.

The results of our operations will depend, among other things, upon our ability to successfully develop and to market our products. Further, it is possible that our operations will not continue to generate income sufficient to meet operating expenses or will generate income and capital appreciation, if any, at rates lower than those anticipated or necessary to sustain ourselves. Our operations may be affected by many factors, some known by us, some unknown, and some, which are beyond our control. Any of these problems, or a combination thereof, could have a materially adverse effect on our viability as an entity and might cause the investment of our shareholders to be impaired or lost.

While we have limited products, the opportunity for development of additional products may take longer than anticipated and could be additionally delayed. Therefore, there can be no assurance of timely completion and introduction of improved products on a cost-effective basis, or that such products, if introduced, will achieve market acceptance such that, in combination with existing products, they will sustain us or allow us to achieve profitable operations.

For the foreseeable future, our success will depend upon our management.

Our success is dependent upon the decision making of our director and executive officer. This individual, Mr. A. J. Boisdrenghien, intends to commit as much time as necessary to our business. The loss of Mr. Boisdrenghien could have a materially adverse impact on our operations. We have no written employment agreements with our Chief Executive Officer. We have not obtained key man life insurance on the live of our officer and director.

Our stock price may be volatile, and you may not be able to resell your shares at or above your initial sale price.

There has been, and continues to be, a limited public market for our common stock. Although our common stock trades in the Pink Sheets, an active trading market for our shares has not, and may never develop or be sustained. If you purchase shares of common stock, you may not be able to resell those shares at or above the initial price you paid. The market price of our common stock may fluctuate significantly in response to numerous factors, some of which are beyond our control, including the following:

Actual or anticipated fluctuations in our operating results;

changes in financial estimates by securities analysts or our failure to perform in line with such estimates;

changes in market valuations of other mortgage brokerage companies, particularly those that sell products similar to as ours;

announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;

introduction of technologies or product enhancements that reduce the need for our products; and

departures of key personnel.

Our stock has a limited public trading market.

While our common stock currently trades, our market is limited and sporadic. We cannot assure that such a market will improve in the future. We cannot assure that an investor will be able to liquidate his investment without considerable delay, if at all. If a more active market does develop, the price may be highly volatile. The factors, which we have discussed in this document, may have a significant impact on the market price of the common stock. It is also possible that the relatively low price of our common stock may keep many brokerage firms from engaging in transactions in our common stock.

The over-the-counter market for stock such as ours has had extreme price and volume fluctuations.

The securities of companies such as ours have historically experienced extreme price and volume fluctuations during certain periods. These broad market fluctuations and other factors, such as new product developments and trends in the our industry and in the investment markets generally, as well as economic conditions and quarterly variations in our operational results, may have a negative effect on the market price of our common stock.

The market for our common stock is subject to rules relating to low-priced stock.

Our common stock is currently listed for trading in the Pink Sheets under the trading symbol FNHI and is subject to the “penny stock rules” adopted pursuant to Section 15 (g) of the Securities Exchange Act of 1934, as amended. In general, the penny stock rules apply to non-NASDAQ or non-national stock exchange companies whose common stock trades at less than $5.00 per share or which have tangible net worth of less than $5,000,000 ($2,000,000 if the company has been operating for three or more years). Our tangible net worth was below the minimum requirement as of September 30, 2009. Such rules require, among other things, that brokers who trade “penny stock” to persons other than “established customers” complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document, quote information, broker’s commission information and rights and remedies available to investors in penny stocks. Many brokers have decided not to trade “penny stock” because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. The “penny stock rules,” therefore, may have an adverse impact on the market for our common stock.

The lack of a broker or dealer to create or maintain a market in our stock could adversely impact the price and liquidity of our securities.

We have no agreement with any broker or dealer to act as a market maker for our securities and there is no assurance that we will be successful in obtaining any market makers. Thus, no broker or dealer will have an incentive to make a market for our stock. The lack of a market maker for our securities could adversely influence the market for and price of our securities, as well as your ability to dispose of, or to obtain accurate information about, and/or quotations as to the price of, our securities.

Nevada law and our Articles of Incorporation protect our directors from certain types of lawsuits, which could make it difficult for us to recover damages from them in the event of a lawsuit.

Nevada law provides that our directors will not be liable to our company or to our stockholders for monetary damages for all but certain types of conduct as directors. Our Articles of Incorporation require us to indemnify our directors and officers against all damages incurred in connection with our business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing stockholders from recovering damages against our directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require our company to use our assets to defend our directors and officers against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

We do not expect to pay dividends on our common stock.

We have not paid any cash dividends with respect to our common stock, and it is unlikely that we will pay any dividends on our common stock in the foreseeable future. Earnings, if any, that we may realize will be retained in the business for further development and expansion.

ITEM 2. DESCRIPTION OF PROPERTY.

We currently occupy office space on a rent-free basis from our President, Mr. A. J. Boisdrenghien. We have no equipment.

ITEM 3. LEGAL PROCEEDINGS.

A complaint was filed against us regarding the payment of a $50,000 note payable to unrelated parties which was due July 1, 2001. The complaint sought judgment against us in the sum of $50,000 together with interest and costs. On May 23, 2002, a judgment was rendered against us requiring that we pay the $50,000 note plus accrued interest of $9,049. The note continued to bear interest at 11% until paid. As a subsequent event, in 2008 the noteholder agreed to settle the judgment and any outstanding amount due for $6,250 in cash and 15,000 common shares. The settlement was finalized in the first quarter of fiscal year 2009.

On January 22, 2002 we received a notice from the Commonwealth of Kentucky Revenue Cabinet which was addressed to our predecessor, FSGI Corporation, requiring the payment of $10,118 including balances on FSGI's corporation income and license accounts. Our management believed that it received the notice in error as the notice amounts assessed related to our formation in 1998. In 2002 we attempted to resolve this matter with the Revenue Cabinet staff. After contacting the Revenue Cabinet in 2008, we believe that the Revenue Cabinet considers the case closed with no amounts due.

Otherwise, we are not a party to any material legal proceedings, nor is our property the subject of any material legal proceeding.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

We held no shareholders meeting in the fourth quarter of our fiscal year.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Principal Market or Markets

Holders

As of September 30, 2009, there were 93 record holders of our common stock and there were 2,840,864 shares of our common stock outstanding.

Market Information

Our shares of common stock are quoted on the Pink Sheets under the trading symbol FNHI. The shares became trading in 1999 but there is no extensive history of trading. The bid and asked price has been $0.11 and $3.00 during the entire time the shares have been quoted. The quotations reflect interdealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

The Securities Enforcement and Penny Stock Reform Act of 1990

The Securities and Exchange Commission has also adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system).

A purchaser is purchasing penny stock which limits the ability to sell the stock. The shares offered by this prospectus constitute penny stock under the Securities and Exchange Act. The shares will remain penny stocks for the foreseeable future. The classification of penny stock makes it more difficult for a broker-dealer to sell the stock into a secondary market, which makes it more difficult for a purchaser to liquidate his/her investment. Any broker-dealer engaged by the purchaser for the purpose of selling his or her shares in us will be subject to Rules 15g-1 through 15g-10 of the Securities and Exchange Act. Rather than creating a need to comply with those rules, some broker-dealers will refuse to attempt to sell penny stock.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document prepared by the Commission, which:

contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;

contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of the Securities Act of 1934, as amended;

contains a brief, clear, narrative description of a dealer market, including "bid" and "ask" prices for penny stocks and the significance of the spread between the bid and ask price;

contains a toll-free telephone number for inquiries on disciplinary actions;

defines significant terms in the disclosure document or in the conduct of trading penny stocks; and

contains such other information and is in such form (including language, type, size and format) as the Securities and Exchange Commission shall require by rule or regulation;

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, to the customer:

the bid and offer quotations for the penny stock;

the compensation of the broker-dealer and its salesperson in the transaction;

the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements will have the effect of reducing the trading activity in the secondary market for our stock because it will be subject to these penny stock rules. Therefore, stockholders may have difficulty selling their securities.

Equity Compensation Plan Information

We have no outstanding stock options or other equity compensation plans.

Reports

We are subject to certain reporting requirements and will furnish annual financial reports to our stockholders, certified by our independent accountants, and will furnish unaudited quarterly financial reports in our quarterly reports filed electronically with the SEC. All reports and information filed by us can be found at the SEC website, www.sec.gov.

Stock Transfer Agent

The stock transfer agent for our securities is Corporate Stock Transfer of Denver, Colorado. Their address is 3200 Cherry Creek Drive South, Suite 430, Denver, Colorado 80209. Their phone number is (303) 282-4800.

Dividend Policy

We have not previously declared or paid any dividends on our common stock and do not anticipate declaring any dividends in the foreseeable future. The payment of dividends on our common stock is within the discretion of our board of directors. We intend to retain any earnings for use in our operations and the expansion of our business. Payment of dividends in the future will depend on our future earnings, future capital needs and our operating and financial condition, among other factors that our board of directors may deem relevant. We are not under any contractual restriction as to our present or future ability to pay dividends.

ITEM 6. SELECTED FINANCIAL DATA

A smaller reporting company is not required to provide the information in this Item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations that are not historical facts are forward-looking statements such as statements relating to future operating results, existing and expected competition, financing and refinancing sources and availability and plans for future development or expansion activities and capital expenditures. Such forward-looking statements involve a number of risks and uncertainties that may significantly affect our liquidity and results in the future and, accordingly, actual results may differ materially from those expressed in any forward-looking statements. Such risks and uncertainties include, but are not limited to, those related to effects of competition, leverage and debt service financing and refinancing efforts, general economic conditions, and changes in applicable laws or regulations. The following discussion and analysis should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report.

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes included in this report.

Results of Operations

We had no revenue for the fiscal years ended September 30, 2009 or 2008.

Operating expenses during the year ended September 30, 2009 totaled $27,777, consisting of legal and accounting fees. Operating expenses during the year ended September 30, 2008 totaled $13,315, consisting of legal and accounting fees.

We had a net profit of $360,318 for the fiscal year ended September 30, 2009, compared to a net loss of $43,841 for the fiscal year ended September 30, 2008. The profit for the fiscal year ended September 30, 2009 represented an extraordinary event. We settled a number of debts during the fiscal year and thereby showed a gain of $388,095 as a result. Otherwise, we have had several years of losses and our losses may continue into the future.

We believe that overhead cost in current operations should remain fairly constant as sales improve. Each additional sale and correspondingly the gross profit of such sale have minimal offsetting overhead cost

Liquidity and Capital Resources.

At September 30, 2009, we had an unrestricted cash balance of $-0-.

Net cash provided by operating activities was $25,650 for the fiscal year ended September 30, 2009, compared to cash used for or provided by operating activities $-0- for the fiscal year ended September 30, 2008. The net cash provided by operating activities for the fiscal year ended September 30, 2009 was related to our debt settlement activities.

Cash flows used or provided by investing activities was $-0- for the fiscal year ended September 30, 2009, compared to $-0- for the fiscal year ended September 30, 2008.

Cash flows used for financing activities was $25,650 for the fiscal year ended September 30, 2009, compared to $-0- for the fiscal year ended September 30, 2008. Cash flows used for financing activities for the fiscal year ended September 30, 2009 represented payments made in settlement of various debts.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements with any party.

Critical Accounting Policies

Our discussion and analysis of results of operations and financial condition are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis, including those related to provisions for uncollectible accounts receivable, inventories, valuation of intangible assets and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The accounting policies that we follow are set forth in Note 2 to our financial statements as included in this prospectus. These accounting policies conform to accounting principles generally accepted in the United States, and have been consistently applied in the preparation of the financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

A smaller reporting company is not required to provide the information in this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)

FINANCIAL STATEMENTS

September 30, 2008 and 2009,
And For The Period From March 12, 2001
(Inception of Development Stage)
Through September 30, 2009

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
Financial Statements

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RONALD R. CHADWICK, P.C.
Certified Public Accountant
2851 South Parker Road, Suite 720
Aurora, Colorado 80014
Telephone (303) 306-1967
Fax (303) 306-1944

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Franchise Holdings International, Inc.
Greenwood Village, Colorado

I have audited the accompanying balance sheets of Franchise Holdings International, Inc. (a development stage company) as of September 30, 2008 and 2009, and the related statements of operations, stockholders' equity and cash flows for the years then ended, and for the period from March 12, 2001 (inception of the development stage) through September 30, 2009. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Franchise Holdings International, Inc. as of September 30, 2008 and 2009, and the related statements of operations, stockholders' equity and cash flows for the years then ended, and for the period from March 12, 2001 (inception of the development stage) through September 30, 2009 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 6 to the financial statements the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 6. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Aurora, Colorado — /s/ Ronald R. Chadwick, P.C.
December 8, 2009 — RONALD R. CHADWICK, P.C.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
BALANCE SHEETS

	Sept. 30, 2008	Sept. 30, 2009
ASSETS		
Total Assets	$-	$-
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$71,184	$75
Related party payables	26,775	
Notes payable	271,759	
Accrued interest payable	238,580	
Stock subscription payable	18,000	
Other payables	5,084	
Total current liabilties	631,382	75
Total Liabilities	631,382	75
Stockholders' Equity		
Common stock, $.0001 par value; 20,000,000 shares authorized; 2,840,864 shares issued and outstanding	284	284
Stock subscription receivable		
Additional paid in capital	3,579,806	3,850,795
Accumulated deficit (including $301,107 deficit (2008) and $59,211 surplus (2009) accumulated during the development stage)	(4,211,472)	(3,851,154)
Total Stockholders' Equity	(631,382)	(75)
Total Liabilities and Stockholders' Equity	$-	$-

The accompanying notes are an integral part of the financial statements.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF OPERATIONS

	Year Ended Sept. 30, 2008	Year Ended Sept. 30, 2009	Period From Mar. 12, 2001 (Inception of Dev. Stage) To Sept. 30, 2009
Revenues	$-	$-	$-
	-	-	-
Operating expenses:			
General and administrative	13,315	27,777	93,658
	13,315	27,777	93,658
Gain (loss) from operations	(13,315)	(27,777)	(93,658)
Other income (expense):			
Gain on debt relief		388,095	388,095
Interest expense	(30,526)		(235,226)
	(30,526)	388,095	152,869
Income (loss) before provision for income taxes	(43,841)	360,318	59,211
Provision for income tax	-	-	-
Net income (loss)	$(43,841)	$360,318	$59,211
Net income (loss) per share (Basic and fully diluted)	$(0.02)	$0.13	
Weighted average number of common shares outstanding	2,840,864	2,840,864	

The accompanying notes are an integral part of the financial statements.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock			Stock		Stock-
	Shares (1)	Amount ($.0001 Par)	Additional Paid in Capital	Subscription Receivable	Accumulated Deficit	holders' Equity
Balances at March 12, 2001 (Inception of development stage)	90,861	$9	$3,562,331	$ (15,000)	$ (3,910,365)	$(363,025)
Net income (loss) for the period					(27,487)	(27,487)
Balances at September 30, 2001	90,861	$9	$3,562,331	$ (15,000)	$ (3,937,852)	$(390,512)
Net income (loss) for the year					(60,100)	(60,100)
Balances at September 30, 2002	90,861	$9	$3,562,331	$ (15,000)	$ (3,997,952)	$(450,612)
Fractional shares - reverse stock split	3					-
Debt relief - repurchase obligation			15,000	15,000		30,000
Compensatory stock issuances	2,750,000	275	2,475			2,750
Net income (loss) for the year					(41,245)	(41,245)
Balances at September 30, 2003	2,840,864	$284	$3,579,806	$ -	$ (4,039,197)	$(459,107)
Net income (loss) for the year					(31,996)	(31,996)
Balances at September 30, 2004	2,840,864	$284	$3,579,806	$ -	$ (4,071,193)	$(491,103)

Net income (loss) for the year					(32,146)	(32,146)
Balances at September 30, 2005	2,840,864	$284	$3,579,806	$ -	$ (4,103,339)	$(523,249)
Net income (loss) for the year					(32,146)	(32,146)
Balances at September 30, 2006	2,840,864	$284	$3,579,806	$ -	$ (4,135,485)	$(555,395)
Net income (loss) for the year					(32,146)	(32,146)
Balances at September 30, 2007	2,840,864	$284	$3,579,806	$ -	$ (4,167,631)	$(587,541)
Net income (loss) for the year					(43,841)	(43,841)
Balances at September 30, 2008	2,840,864	$284	$3,579,806	$ -	$ (4,211,472)	$(631,382)
Paid in capital - debt relief			270,989			270,989
Net income (loss) for the year					360,318	360,318
Balances at September 30, 2009	2,840,864	$284	$3,850,795	$ -	$ (3,851,154)	$(75)

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(1) As adjusted for a 1 for 100 reverse stock split effective May 9, 2003.

The accompanying notes are an integral part of the financial statements.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

	Year Ended Sept. 30, 2008	Year Ended Sept. 30, 2009	Period From Mar. 12, 2001 (Inception of Dev. Stage) To Sept. 30, 2009
Cash Flows From Operating Activities:			
Net income (loss)	$(43,841)	$360,318	$59,211
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Amortization & depreciation			475
Loss on fixed asset disposal			1,408
Accounts payable	150	(351)	18,951
Related party payables	13,165	55,485	87,431
Accrued expenses	30,526	(1,707)	233,519
Gain on debt relief		(388,095)	(388,095)
Compensatory stock issuances			2,750
Net cash provided by (used for) operating activities	-	25,650	15,650
Cash Flows From Investing Activities:			
Net cash provided by (used for) investing activities	-	-	-

(Continued On Following Page)

The accompanying notes are an integral part of the financial statements.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

(Continued From Previous Page)

	Year Ended Sept. 30, 2008	Year Ended Sept. 30, 2009	Period From Mar. 12, 2001 (Inception of Dev. Stage) To Sept. 30, 2009
Cash Flows From Financing Activities:			
Notes payable - borrowings			10,000
Notes payable - payments		(25,650)	(25,650)
Net cash provided by (used for) financing activities	-	(25,650)	(15,650)
Net Increase (Decrease) In Cash	-	-	-
Cash At The Beginning Of The Period	-	-	-
Cash At The End Of The Period	$-	$-	$-

None

Supplemental Disclosure

Cash paid for interest	$-	$-
Cash paid for income taxes	$-	$-

The accompanying notes are an integral part of the financial statements.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
September 30, 2008 and 2009, & For The Period
From March 12, 2001 (Inception of Dev. Stage) Through September 30, 2009

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Franchise Holdings International, Inc. was incorporated in the State of Nevada on April 2, 2003. FSGI Corporation was incorporated in the State of Florida on May 15, 1997, and in a reorganization on December 21, 1998 with another corporation named The Martial Arts Network On-Line, Inc. (originally incorporated in Florida on May 23, 1996) changed its name to TMAN Global.Com, Inc. Franchise Holdings International, Inc. and TMAN Global.Com, Inc. consummated a merger on April 30, 2003 whereby Franchise Holdings International, Inc. exchanged 1 common share for all the 90,861 outstanding common shares of TMAN Global.Com, Inc. The purpose of the transaction was a change of domicile. Pursuant to the merger terms, Franchise Holdings International, Inc. was the surviving corporation and TMAN Global.Com, Inc. ceased to exist. The accompanying financial statements include the activities of Franchise Holdings International, Inc. and its predecessor corporations, which are collectively referred to herein as the "Company". Currently the Company is engaged in evaluating franchise opportunities, and is considered to be in the development stage.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents.

Accounts receivable

The Company reviews accounts receivable periodically for collectability and establishes an allowance for doubtful accounts and records bad debt expense when deemed necessary. At September 30, 2008 and 2009, the Company had no balance in its allowance for doubtful accounts.

Property and equipment

Property and equipment are recorded at cost and depreciated under straight line methods over each item's estimated useful life.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
September 30, 2008 and 2009, & For The Period
From March 12, 2001 (Inception of Dev. Stage) Through September 30, 2009

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue recognition

Revenue is recognized on an accrual basis as earned under contract terms.

Advertising costs

Advertising costs are expensed as incurred. The Company recorded no material advertising costs in the fiscal years ended September 30, 2008 or 2009.

Income tax

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (“SFAS 109”). Under SFAS 109 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net income (loss) per share

The net income (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares of common outstanding. Warrants, stock options, and common stock issuable upon the conversion of the Company's preferred stock (if any), are not included in the computation if the effect would be anti-dilutive and would increase the earnings or decrease loss per share.

Financial instruments

The carrying value of the Company’s financial instruments, as reported in the accompanying balance sheets, approximates fair value.

Fiscal year

The Company employs a fiscal year ending September 30.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
September 30, 2008 and 2009, & For The Period
From March 12, 2001 (Inception of Dev. Stage) Through September 30, 2009

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Long-Lived Assets

In accordance with Statement of Financial Accounting Standard 144 “Accounting for the Impairment or Disposal of Long-Lived Assets”, the Company regularly reviews the carrying value of intangible and other long-lived assets for the existence of facts or circumstances, both internally and externally, that may suggest impairment. If impairment testing indicates a lack of recoverability, an impairment loss is recognized by the Company if the carrying amount of a long-lived asset exceeds its fair value.

Stock based compensation

The Company accounts for employee and non-employee stock awards under SFAS 123(r), whereby equity instruments issued to employees for services are recorded based on the fair value of the instrument issued and those issued to non-employees are recorded based on the fair value of the consideration received or the fair value of the equity instrument, whichever is more reliably measurable.

NOTE 2. RELATED PARTY TRANSACTIONS

In 2008 and 2009 an officer provided the Company $13,165 and $55,485 in working capital advances for ongoing operations. The same officer in 2009 contributed $82,260 in debt relief to the Company (inclusive of the amounts noted in the previous sentence). The officer also gave 26,000 Company common shares held by him to other debtors in settlement of $18,000 in stock subscriptions payable and $170,729 in notes payable, which the officer then contributed to capital.

NOTE 3. NOTES PAYABLE

At September 30, 2008 Company had $271,759 in notes payable outstanding to non-related parties, currently due, bearing interest at rates from 10% - 12% per annum, and convertible into common stock at $1 - $3 per share. Accrued interest payable under the notes at September 30, 2008 was $238,580, and interest expense in 2008 was $30,526. In 2003 an $18,000 note with an automatic conversion feature was recorded as a stock subscription payable for 6,000 common shares upon conversion. In 2009 the remaining noteholders agreed to cancel the conversion feature and settle their notes upon payment of cumulative settlement amounts of $25,650 in cash and 20,000 common shares. The note settlements were finalized in the first quarter of fiscal year 2009. A Company officer provided out of his personal shares the 6,000 shares to settle the stock subscription payable and the 20,000 shares for the note settlement. Pursuant to the note settlements, the noteholders, who were owed $271,759 in principal and $238,580 in interest (or $510,339 total),

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
September 30, 2008 and 2009, & For The Period
From March 12, 2001 (Inception of Dev. Stage) Through September 30, 2009

NOTE 3. NOTES PAYABLE (Continued):

were given as noted above 20,000 of the Company’s common shares by an officer out of his personal holdings in settlement of $170,729 out of the $510,339 owed and $25,650 in cash as full settlement, resulting in a gain on debt relief for the Company of $313,960.

NOTE 4. INCOME TAXES

Deferred income taxes arise from the temporary differences between financial statement and income tax recognition of net operating losses. These loss carryovers are limited under the Internal Revenue Code should a significant change in ownership occur.

At September 30, 2008 and 2009 the Company had net operating loss carryforwards of approximately $1,222,000 and $862,000 which begin to expire in 2012. The deferred tax asset of $488,839 and $344,712 created by the net operating losses has been offset by a 100% valuation allowance. The change in the valuation allowance in 2008 and 2009 was $17,536 and $(144,127).

NOTE 5. CONTINGENCIES

On January 22, 2002 the Company received a notice from the Commonwealth of Kentucky Revenue Cabinet which was addressed to the Company's predecessor, FSGI Corporation, requiring the payment of $10,118 including balances on FSGI's corporation income and license accounts. The Company's management believed that it received the notice in error as the notice amounts assessed related to the Company's formation in 1998. In 2002 the Company was attempting to resolve this matter with the Revenue Cabinet staff. After contacting the Revenue Cabinet in 2009, the Company believes that the Revenue Cabinet considers the case closed with no amounts due.

FRANCHISE HOLDINGS INTERNATIONAL, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
September 30, 2008 and 2009, & For The Period
From March 12, 2001 (Inception of Dev. Stage) Through September 30, 2009

NOTE 6. GOING CONCERN

The Company has suffered recurring losses from operations and has a working capital deficit and stockholders' deficit, and in all likelihood will be required to make significant future expenditures in connection with continuing marketing efforts along with general administrative expenses. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company may raise additional capital through the sale of its equity securities, through an offering of debt securities, or through borrowings from financial institutions. By doing so, the Company hopes through increased marketing efforts to generate greater revenues. Management believes that actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern.

ITEM 9. DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

We did not have any disagreements on accounting and financial disclosures with our present accounting firm during the reporting period.

ITEM 9A(T). CONTROLS AND PROCEDURES.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Accordingly, we concluded that our disclosure controls and procedures were effective as of September 30, 2009.

Management’s Annual Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting (ICFR).

Our internal control over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U. S. generally accepted accounting principles.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, management has concluded, as of September 30, 2009, we did maintain effective control over the financial reporting process.

Inherent Limitations Over Internal Controls

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations, including the possibility of human error and circumvention by collusion or overriding of controls. Accordingly, even an effective internal control system may not prevent or detect material misstatements on a timely basis. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Attestation Report of the Registered Public Accounting Firm.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting.

We have made no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Nothing to report.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Our Director and Executive Officer, his age and position held with us as of September 30, 2009 is as follows:

NAME	AGE	POSITION HELD
A. J. Boisdrenghien	61	President, Secretary and Director

The person named above is expected to hold said offices/positions until the next annual meeting of our stockholders. He cannot be considered to be an independent director.

Mr. Boisdrenghien is our sole Officer and Director. He has been our sole officer and director since May, 2003. He has been the President of Equity Capital Holding, a consulting company, since 1999. He was formerly President of NABCO, Inc, a bagel franchising company which was sold in 1999. In 1999, NABCO merged with EUniverse, which later changed its name to Intermix. Intermix held several properties, including My Space, which was sold to News Corp in 2008. Mr. Boisdrenghien graduated from Pittsburgh State, in Pittsburgh, Kansas in 1969, with a degree in finance.

Committees of the Board of Directors

Currently, we do not have any committees of the Board of Directors.

Director and Executive Compensation

No compensation has been paid and no stock options granted to any of our officers or directors in the last three fiscal years.

Employment Agreements

We have no written employment agreements with any of our executive officer or key employee.

Equity Incentive Plan

We have not adopted an equity incentive plan, and no stock options or similar instruments have been granted to any of our officers or directors.

Indemnification and Limitation on Liability of Directors

Our Articles of Incorporation limit the liability of our directors to the fullest extent permitted by Nevada law. Nothing contained in the provisions will be construed to deprive any director of his right to all defenses ordinarily available to the director nor will anything herein be construed to deprive any director of any right he may have for contribution from any other director or other person.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents where indemnification will be required or permitted. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

Item 11. EXECUTIVE COMPENSATION

No compensation has been paid and no stock options granted to our officer and director in the last three fiscal years.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following sets forth the number of shares of our $0.0001 par value common stock beneficially owned by (i) each person who, as of September 30, 2009, was known by us to own beneficially more than five percent (5%) of its common stock; (ii) our individual Director and (iii) our Officer and Director as a group. A total of 2,840,864 common shares were issued and outstanding as of September 30, 2009.

Name and Address Beneficial Owner(1)	No. of Shares Owned	Percentage of Ownership
A. J. Boisdrenghien 5910 South University Boulevard, C-18, Unit 165 Littleton, Colorado 80121-2800	995,800	35.05%
Robert Lazzeri (2) 2560 W. Main Street Littleton, Colorado 80120(2)	600,000	21.11%
Earnest Mathis(3) 2560 W. Main Street Littleton, Colorado 80120(2)	600,000	21.11%
All Officers and Directors as a Group (one person)	995,800	35.05%

(1) A total of 974,000 shares are owned in the name of Franchise Concepts, Inc. A total of 21,8000 shares owned by Equity Capital Holding Corporation. Both companies are affiliates of our President.

(2) Includes 300,000 shares owned in the name of Lazzeri Equity Partners 401(K) Plan and 300,000 shares owned in the name of Lazzeri Family Trust.

(3) Includes 300,000 shares owned in the name of Mathis Family Partners, Ltd. and 300,000 shares owned in the name of Earnco MPPP.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

We currently occupy office space on a rent-free basis from our President, Mr. A. J. Boisdrenghien.

At September 30, 2008 we had $271,759 in notes payable outstanding to non-related parties, currently due, bearing interest at rates from 10% - 12% per annum, and convertible into common stock at $1 - $3 per share. Accrued interest payable under the notes at September 30, 2008 was $238,580, and interest expense in 2008 was $30,526. In 2003 an $18,000 note with an automatic conversion feature was recorded as a stock subscription payable for 6,000 common shares upon conversion. In 2009 the remaining noteholders agreed to cancel the conversion feature and settle their notes upon payment of cumulative settlement amounts of $25,650 in cash and 20,000 common shares. The note settlements were finalized in the first quarter of fiscal year 2009. Our President provided out of his personal shares the 6,000 shares to settle the stock subscription payable and the 20,000 shares for the note settlement. Pursuant to the note settlements, the noteholders, who were owed $271,759 in principal and $238,580 in interest (or $510,339 total), were given as noted above 20,000 of our common shares by our President out his personal shares in settlement of $170,729 out of the $510,339 owed and $25,650 in cash as full settlement, resulting in a gain on debt relief from the promissory notes of $313,960, with remainder of debt relief on accounts payable at $74,135.

In 2008 and 2009 our President provided us $13,165 and $55,485, respectively, in working capital advances for ongoing operations.

In June, 2008, Franchise Concepts, Inc., a company affiliated with our President, sold a total of 300,000 shares to Lazzeri Equity Partners 401(K) Plan, 300,000 shares to the Lazzeri Family Trust, 300,000 shares to Mathis Family Partners, Ltd. and 300,000 shares to Earnco MPPP. The total cash consideration was $70,000.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent auditor, Ronald R. Chadwick, P.C., Certified Public Accountants, billed an aggregate of $7,500 for the fiscal year ended September 30, 2009 and $2,710 for the fiscal year ended September 30, 2008 for professional services rendered for the audit of our annual financial statements and review of the financial statements included in its quarterly reports.

We do not have an audit committee and as a result its entire board of directors performs the duties of an audit committee. Our board of directors evaluates the scope and cost of the engagement of an auditor before the auditor renders audit and non-audit services.

ITEM 15. EXHIBITS FINANCIAL STATEMENT SCHEDULES.

The following financial information is filed as part of this report:

(1) FINANCIAL STATEMENTS

(2) SCHEDULES

(3) EXHIBITS. The following exhibits required by Item 601 to be filed herewith are incorporated by reference to previously filed documents:

Exhibit Number	Description
3.1*	Articles of Incorporation
3.2 *	Bylaws
3.3 *	Articles of Merger of TMAN Global.com, Inc. and FRANCHISE HOLDINGS INTERNATIONAL, INC.
31.1	Certification of CEO/CFO pursuant to Sec. 302
32.1	Certification of CEO/CFO pursuant to Sec. 906

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* Previously filed
Reports on Form 8-K.

We filed no reports on Form 8-K during the fourth quarter of the fiscal year ended September 30, 2009.

SIGNATURES

In accordance with Section 12 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 on December 29, 2009.

FRANCHISE HOLDINGS INTERNATIONAL, INC.

By: /s/ A. J. Boisdrenghien
A. J. Boisdrenghien
Chief Executive Officer and President
(principal executive officer and principal financial and accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacity and on the date indicated.

Date: December 29, 2009	By: /s/ A. J. Boisdrenghien A. J. Boisdrenghien Director