

FRANKLIN RESOURCES INC
 Form 4
 September 15, 2006

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

OMB APPROVAL

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 IKEDA DONNA S

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 09/13/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP - HR International

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

(Street)

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

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

SAN MATEO, CA 944031906

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock, par value \$.10	09/13/2006		M		10,000 A \$ 36.3	30,261.8485 (1)	D
Common Stock, par value \$.10	09/13/2006		S		10,000 D \$ 104.7854	20,261.8485 (1)	D
Common Stock, par						734.449 (2)	I By 401(k)

value
\$.10

Common
Stock, par
value
\$.10

240 I By IRA

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

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 36.3 ⁽³⁾	09/13/2006		M	10,000 ⁽³⁾ ⁽⁴⁾	09/30/2002 11/19/2011	Common Stock, par value \$.10 10,000 ⁽³⁾

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

IKEDA DONNA S
C/O FRANKLIN RESOURCES, INC.
ONE FRANKLIN PARKWAY
SAN MATEO, CA 944031906

VP - HR International

Signatures

/s/ IKEDA,
DONNA S. 09/15/2006

 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Of the amount of securities beneficially owned, 1,808 shares represent unvested awards of restricted stock and 2,000 shares represent unvested restricted stock units. Unvested restricted stock units do not have voting rights but are entitled to receive dividends in cash.
- (2) Reporting person holds shares in Franklin Templeton Profit Sharing 401(k) Plan. Information is based on a plan statement as of June 15, 2006.
- (3) Reflects adjustment in connection with the special cash dividend paid by Franklin Resources, Inc. on April 15, 2005.
- (4) This report reflects the exercise of options originally granted on November 19, 2001.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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