

Securities Exchange Act of 1934 – Rule 14a-8
Franklin Universal Trust

December 18, 2007

Michael D. Mabry, Esq.
Stradley Ronon
2600 One Commerce Square
Philadelphia, PA 19103-7098

RE: Franklin Universal Trust
File No. 811-05569
Shareholder Proposal of Full Value Partners L.P.

Dear Mr. Mabry:

In a letter dated October 23, 2007, you notified the Securities and Exchange Commission (“Commission”) of the intent of Franklin Universal Trust (the “Trust”) to exclude from its 2008 proxy soliciting materials a shareholder proposal (the “Proposal”) submitted by Andrew Dakos (“Proponent”) on behalf of Full Value Partners L.P. (“Full Value”). The Proposal is contained in a letter from the Proponent dated August 14, 2007. We also received and considered a letter from the Proponent dated October 29, 2007, opposing your request to exclude the Proposal. The Proposal provides:

RESOLVED: The Franklin Universal Trust is requested to conduct a self-tender offer for all outstanding shares of the Trust at net asset value (“NAV”). If more than 50% of the Trust’s outstanding shares are tendered, the tender offer should be cancelled and the Trust should be liquidated.

You request our assurance that we would not recommend enforcement action to the Commission if the Trust excludes the Proposal in reliance on Rule 14a-8(h) under the Securities Exchange Act of 1934 (“1934 Act”). Your argument is addressed below.

Omission of the Proposal Based on Rule 14a-8(h)

You argue that Rule 14a-8(h) permits the Trust to exclude the Proposal from its proxy materials for the 2008 shareholders’ meeting. Under Rule 14a-8(h), a shareholder who has submitted a proposal to be included in a fund’s proxy statement must appear personally at the shareholders’ meeting or send a representative to present the proposal, or provide good cause for failing to appear. Failure to appear without good cause permits a fund to exclude any proposals submitted by the shareholder from its proxy materials for any meetings held during the next two calendar years.

You state that the Trust previously included a shareholder proposal (the “2007 Proposal”) submitted by Philip Goldstein on behalf of Opportunity Partners, L.P. (“Opportunity Partners”) in its 2007 annual meeting proxy statement. You state that based on filings with the Commission, including Schedule 13D filings for the Fund, Messrs. Goldstein and Dakos, Opportunity Partners and Full Value were all members of the Bulldog Investors shareholder group in 2006, when Opportunity Partners submitted the 2007 Proposal for inclusion in the Trust’s 2007 proxy materials, and that they have collectively made numerous other Schedule 13D filings as Bulldog Investors, signifying their practice of voting their shares as a group. You further state that neither Opportunity Partners nor any of the other members of Bulldog Investors attended or sent a representative to the Fund’s 2007 annual meeting, and they failed to provide any explanation for their absence.

In his October 29, 2007 letter, Mr. Dakos argues that while Opportunity Partners and Full Value are funds within the Bulldog Investors group, they are distinct legal entities. As distinct legal entities, Opportunity Partners is not a “nominal proponent” of Full Value and, therefore, Full Value should not be precluded from submitting a shareholder proposal to the Trust.

We believe there is some basis for your view that the Proposal may be excluded pursuant to Rule 14a-8(h) (3). The staff has taken the position that the requirements of Rule 14a-8 cannot be circumvented through the use of “nominal proponents.” *See*, MGM Mirage, SEC No-Action Letter (Mar. 19, 2001) and TRW, Inc., SEC No-Action Letter (Jan. 22, 2001). Under Section 13(d)(3) of the 1934 Act, and Rule 13d-5(b) thereunder, a group is formed when two or more persons act together for the purpose of acquiring, holding, or disposing of securities; these provisions do not draw a distinction depending on whether or not the entities comprising the group are distinct legal entities. Accordingly, we would not recommend enforcement action against the Trust if it omits the Proposal from its 2008 proxy materials in reliance upon Rule 14a-8(h) or if it excludes any proposal(s) that Full Value, Mssrs. Dakos and Goldstein, Opportunity Partners, Bulldog Investors, or any other nominal proponents of these parties, may submit for inclusion in the Trust’s 2009 proxy materials.

Attached is a description of the informal procedures the Division follows in responding to shareholder proposals. If you have any questions or comments regarding this matter, please feel free to contact me at (202) 551-6970.

Sincerely,

Mary A. Cole
Senior Counsel

INCOMING LETTER:

Michael D. Mabry

MMabry@stradley.com

215.564.8011

October 23, 2007

Securities and Exchange Commission
Office of the Chief Counsel
Division of Investment Management
100 F Street, NE
Washington, DC 20549

**Re: Exchange Act Rule 14a-8: Omission of Shareholder Proposal from 2008
Proxy Statement of Franklin Universal Trust**

Dear Sir or Madam:

We are counsel to Franklin Universal Trust (the "Trust"). The Trust has received a shareholder proposal (the "2008 Proposal") from Andrew Dakos, on behalf of Full Value Partners L.P. ("Full Value"), for inclusion in the Trust's 2008 annual meeting of shareholders (the "Meeting"). For the reasons discussed below, the Trust intends to omit the 2008 Proposal from its 2008 proxy materials, and respectfully requests that the staff (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") confirm that it will not recommend enforcement action to the Commission if the Trust omits the 2008 Proposal. We also request forward-looking relief for any proposal(s) that Full Value and other members of the shareholder group called Bulldog Investors may submit for inclusion in the Trust's 2009 proxy materials.

I. Background

On August 31, 2007, the Trust received a letter from Full Value requesting that the 2008 Proposal be included in the proxy statement to be distributed to shareholders in connection with the Meeting. A copy of the letter is attached hereto as Exhibit A. The Trust had previously included a shareholder proposal (the "2007 Proposal") submitted by Philip Goldstein on behalf of Opportunity Partners, L.P. ("Opportunity Partners") in its 2007 annual meeting proxy statement. Messrs. Goldstein and Dakos, Opportunity Partners and Full Value are all part of the same shareholder group, called Bulldog Investors.¹ Neither Opportunity

¹ See, e.g., Schedule 13D filing dated August 8, 2006 by Bulldog Investors with respect to the Trust, attached hereto as Exhibit B.

Partners nor any of the other members of Bulldog Investors attended or sent a representative to the Trust's 2007 annual meeting, and failed to provide any explanation for their absence.

II. Summary of the Trust's Position

Rule 14a-8(h) expressly permits the Trust to exclude the 2008 Proposal from its proxy materials for the Meeting. Under Rule 14a-8(h), a shareholder who has submitted a proposal to be included in a company's proxy statement must appear personally at the shareholders' meeting or send a representative to present the proposal, or provide good cause for their absence. Opportunity Partners' 2007 Proposal was included in the Trust's 2007 proxy statement, but neither Opportunity Partners nor any other members of Bulldog Investors attended or sent a representative to the 2007 annual meeting. Moreover, neither Opportunity Partners provided nor any other members of Bulldog Investors provided any reason for their failure to appear at the 2007 meeting. Because Opportunity Partners and Full Value are both part of the Bulldog Investors shareholder group and failed to appear or send a representative to the Trust's 2007 annual meeting without good cause, we believe that Rule 14a-8(h) permits the Trust to exclude any proposals submitted by members of Bulldog Investors from its proxy materials for any meetings held during the next two years.

III. Discussion

A. The 2007 Proposal Submitted by Opportunity Partners Was Included in the Trust's 2007 Proxy Statement, But Neither Opportunity Partners Nor Any Other Members of Bulldog Investors Attended the Meeting or Sent a Representative and Did Not Show Good Cause for Their Absence.

The Trust included the 2007 Proposal submitted by Mr. Goldstein on behalf of Opportunity Partners in the proxy statement for its 2007 annual meeting. Neither Mr. Goldstein nor any other representative of Bulldog Investors attended the Trust's 2007 annual meeting to present the 2007 Proposal, as required under Rule 14a-8(h)(1). Neither Opportunity Partners nor any other members of Bulldog Investors provided any explanation for their failure to attend the 2007 annual meeting or send a representative.²

B. Full Value and Opportunity Partners are Both Part of the Bulldog Investors Shareholder Group.

Based on filings with the Commission, Messrs. Goldstein and Dakos, Opportunity Partners and Full Value were all members of the Bulldog Investors shareholder group in 2006 when Opportunity Partners submitted the 2007 Proposal for inclusion in the Trust's 2007 proxy materials.³ In a letter to Trust counsel dated August 7, 2006, Mr. Goldstein described the various relationships that he has with Mr. Dakos, Opportunity Partners, Full Value, and Bulldog Investors:

² As a courtesy to the large number of shareholders who voted on Opportunity Partners' proposal, the Trust permitted submission of the proposal at the 2007 annual meeting despite the unexcused absence of Opportunity Partners. The proposal was defeated. We note that this does not waive or excuse Opportunity Partners' failure to adhere to the attendance requirements of Rule 14a-8(h).

³ See n.1, *supra*.

[Y]ou asked me to clarify the relationship among Opportunity Partners L.P., Bulldog Investors and Andrew Dakos and me. Mr. Dakos and I are principals of (a) Kimball and Winthrop, Inc. which is the general partner of Opportunity Partners L.P. and (b) Bulldog Investors which is a hedge fund complex comprised of Opportunity Partners, Full Value Partners and Opportunity Income Plus Partners.⁴

Based on filings with the Commission, these persons and entities continue to be members of Bulldog Investors to this day. Indeed, as recently as September 7, 2007, Bulldog Investors filed a Schedule 13G with respect to InterAmerican Acquisition Group Inc. that identified Mr. Dakos as a principal.⁵ Messrs. Goldstein and Dakos have collectively made numerous other Schedule 13D filings as Bulldog Investors, signifying their practice of voting their shares as a group. Moreover, the stationary envelope containing the 2008 Proposal listed Bulldog Investors on the return address. (See Exhibit A.) Based on their own representations, including filings with the Commission, Bulldog Investors, Messrs. Goldstein and Dakos, Opportunity Partners and Full Value are all part of the Bulldog Investors shareholder group and, as such, all serve as “nominal proponents” of Bulldog Investors.⁶

C. The 2008 Proposal Should Be Excluded Under the Express Terms of Rule 14a-8(h).

Under Rule 14a-8(h)(3), the Trust is permitted to exclude any shareholder proposals from Bulldog Investors or its members for any meeting held in the two calendar years following the 2007 annual meeting. Bulldog Investors failed to appear at, or send a representative to, the Trust’s 2007 annual meeting and offered no excuse for its absence. As members of Bulldog Investors, Messrs. Dakos and Goldstein, Opportunity Partners and Full Value are all part of the same shareholder group and, as such, are all “nominal proponents” for Bulldog Investors. In *MGM Mirage* and *TRW, Inc.*, the Staff concluded that the terms and requirements of Rule 14a-8 could not be circumvented through the use of “nominal proponents.”⁷ It would appear that this may be what Bulldog Investors, Mr. Dakos and Full Value are attempting to do in this instance.⁸

⁴ This letter was included as an Exhibit to a Schedule 13D filing dated August 8, 2006 by Bulldog Investors with respect to the Trust and is attached hereto as Exhibit B.

⁵ Despite listing Mr. Dakos on prior Schedule 13D filings by Bulldog Investors with respect to the Trust, a Schedule 13D filing made with respect to the Trust by Bulldog Investors on March 5, 2007 did not list him. The Trust is not aware of the legal basis for excluding Mr. Dakos from the Bulldog Investors Schedule 13D filed on March 5, 2007 with respect to the Trust but continuing to list him on subsequent Bulldog Investors Schedule 13D filings with respect to other companies. In the absence of any such explanation and based on the present circumstances, however, such an omission (or failure to file a subsequent amendment) could be construed as misleading.

⁶ “Nominal proponents” are proponents who are representing shareholders that are otherwise barred from presenting proposals under Rule 14a-8. See *MGM Mirage*, SEC No-Action Letter, 2001 WL 294174 (Mar. 19, 2001); *TRW, Inc.*, SEC No-Action Letter, 2001 WL 62910 (Jan. 22, 2001).

⁷ *Id.*

⁸ We believe that the aforementioned Schedule 13D filings of Bulldog Investors are *prima facie* evidence that Full Value is a nominal proponent for Opportunity Partners.

Given the failure of one nominal proponent of Bulldog Investors to adhere to the attendance requirements of Rule 14a-8(h) at the Trust's 2007 annual meeting, the Rule permits the Trust to exclude all nominal proponents of Bulldog Investors – including Mr. Dakos and Full Value – from submitting shareholder proposals for any of the Trust's 2008 and 2009 meetings.

IV. Conclusion

On the basis of the foregoing, the Trust respectfully requests the concurrence of the Staff that the 2008 Proposal may be excluded from the Trust's proxy materials for the Meeting. The Trust also concurrently requests forward-looking relief for any proposal(s) that Full Value, Messrs. Dakos and Goldstein, Opportunity Partners, Bulldog Investors, or any other nominal proponents of these parties, may submit for inclusion in the Trust's 2009 proxy materials.⁹

We would be happy to provide you with any additional information or answer any questions that you may have. Should you disagree with the conclusions set forth herein, we respectfully request the opportunity to confer with you prior to the determination of the Staff's final position. Please do not hesitate to call me at (215) 564-8011 if I may be of any further assistance in this matter.

In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, the undersigned, on behalf of the Trust, hereby files six copies of this letter, the 2008 Proposal and the exhibits referred to in this letter. Also in accordance with Rule 14a-8(j)(1), a copy of this letter and the accompanying exhibits are being forwarded to Full Value, as formal notice of the Trust's intention to omit the 2008 Proposal from the proxy materials for the Meeting.

Very truly yours,

Michael D. Mabry

cc: Mr. Andrew Dakos
Craig S. Tyle, Esq.
Bruce G. Leto, Esq.

⁹ Subsection (C)(4)(c) of CF Staff Legal Bulletin No. 14 (Jul. 13, 2001) authorizes the concurrent request for forward-looking relief for the subsequent year, with the request for current relief, to exclude a shareholder proposal under Rule 14a-8(h)(3) where the shareholder failed to attend the annual meeting in the prior year without good cause.