FRANKLIN STREET PROPERTIES CORP /MA/
Form S-3/A
November 18, 2004

As filed with the Securities and Exchange Commission on November 18, 2004
Registration No. 333-118712

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FRANKLIN STREET PROPERTIES CORP.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

04-3578653
(I.R.S. Employer Identification Number)

401 Edgewater Place, Suite 200
Wakefield, MA 01880
(781) 557-1300
(Address, Including Zip Code, and Telephone Number, Including Area Code,
of Registrant's Principal Executive Offices)

George J. Carter
President and Chief Executive Officer
Franklin Street Properties Corp.
401 Edgewater Place, Suite 200
Wakefield, MA 01880
(781) 557-1300
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code,
of Agent For Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. |_|

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. |X|

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_| _______

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_| __________

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. |_|

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION. DATED NOVEMBER 18, 2004.

25,000,091 Shares

FRANKLIN STREET PROPERTIES CORP.

Common Stock

Franklin Street Properties Corp., or FSP Corp., is registering 25,000,091 shares of its common stock held by the persons named herein as "selling stockholders" pursuant to a registration statement of which this prospectus is a part. Our common stock is not listed or quoted on any national exchange or market. We intend to apply to list our common stock on the American Stock Exchange, or the AMEX. We cannot give any assurances that we will file such listing application with AMEX or, in the event we do, that AMEX will accept our listing application or that a meaningful trading market in our common stock will develop should AMEX accept our listing application. The selling stockholders or their pledgees, donees, transferees or other successors-in-interest named herein may offer the shares from time to time through public, if our common stock were to trade on the AMEX, or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices.

FSP Corp. will not receive any of the proceeds from any future sale of the shares being registered hereby.

If and when our common stock is listed or quoted on a national exchange or market, we expect that shares of our common stock would be offered at prevailing market prices. Prior to such listing or quotation, any sales of shares of our common stock would occur in private transactions at negotiated prices over which we would have no control.

See "Risk Factors" on page 4 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated __________________, 2004.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors".

Franklin Street Properties Corp.

We operate in two business segments and have two principal sources of revenue:

- o Real estate operations, including real estate leasing, interim acquisition financing and asset/property management, which generate rental income, loan origination fees and management fees, respectively.

- o Investment banking/investment services, which generate brokerage commissions and other fees related to the organization of single-purpose entities that own real estate and the private placement of equity in those entities. We call these entities Sponsored Entities, and although we previously organized them as partnerships, in 2001 we began to organize them as corporations operated in a manner intended to qualify as real estate investment trusts, and refer to them as Sponsored REITs.

Real Estate

We own a portfolio of real estate, consisting of 28 properties as of August 15, 2004, which includes apartment complexes, office buildings and industrial use properties. We derive rental revenue from income paid to us by tenants of these properties.

FSP Corp. typically makes a loan to each Sponsored REIT secured by a mortgage on the borrower's real estate. Those loans produce revenue in the form of interest and loan origination fees. These loans typically are repaid out of the proceeds of the borrower's equity offering.

We also provide asset management services, property management services and/or property accounting services to certain of our Sponsored REITs through our subsidiary FSP Property Management. FSP Corp. recognizes revenue from our receipt of fee income from those Sponsored REITs that have not been acquired by us. FSP Property Management does not receive any rental income.

Investment Banking/Investment Services

Through our subsidiary FSP Investments, which acts as a real estate investment banking firm and broker/dealer, we organize Sponsored REITs, and sell equity in them through private placements exempt from registration under the Securities Act of 1933. These single-purpose entities each typically acquire a single real estate asset. FSP Investments sells preferred stock in the Sponsored REITs through best efforts offerings to "accredited investors" within the meaning of Regulation D of the Securities Act. We retain 100% of the common stock interest in the Sponsored REITs. Since 1997, FSP Investments has sponsored 38 Sponsored Entities, 14 of which were partnerships, and 24 of which were Sponsored REITs.

FSP Investments derives revenue from commissions received in connection with the sale of equity interests in the Sponsored REITs and from fees paid by the Sponsored REITs for its services in identifying, inspecting and negotiating to purchase real properties on their behalf. FSP Investments is a registered broker/dealer with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. We have made an election to treat FSP Investments as a "taxable REIT subsidiary" for federal income tax purposes.

Recent Developments

Redemption of Fractional Shares

On August 16, 2004 we redeemed all of the outstanding fractional shares of our common stock. We redeemed an aggregate of 576.95 shares of common stock at a price per share of $17.70 for an aggregate purchase price of $10,212. The price per share was determined as set forth under "Determination of the Fair Market Value of Our Common Stock" on page 12.

Listing on AMEX

We intend to apply to list our common stock on the American Stock Exchange, or the AMEX, under the symbol "FSP." We expect our listing application will cover an aggregate of 62,470,934 shares of our common stock, consisting of all of the shares of our common stock outstanding as of August 13, 2004 (including the shares covered by this prospectus), 1,946,178 shares of our common stock issuable under our 2002 Stock Incentive Plan and approximately 10,894,994 shares of common stock we intend to issue in the transactions described below under "Merger Transactions." We cannot give any assurances that we will file such listing application or, in the event we do, that AMEX will accept our listing application or that a meaningful trading market in our common stock will develop should AMEX accept our listing application. Our common stock is not listed or quoted on any national exchange or market today. If we do not list our common stock on AMEX or if our listing application is not accepted by AMEX, there will continue to be no public trading market for our common stock.

Merger Transactions

On August 13, 2004, FSP Corp., 4 wholly-owned acquisition subsidiaries and 4 real estate investment trusts previously syndicated by FSP Corp., or "Target REITs", entered into a merger agreement whereby the related wholly-owned acquisition subsidiary of FSP Corp. will acquire a Target REIT by merger. The Target REITs are FSP Addison Circle Corp., FSP Collins Crossing Corp., FSP Montague Business Center Corp. and FSP Royal Ridge Corp., each a Delaware corporation. The acquisition subsidiaries are Addison Circle Acquisition Corp., Collins Crossing Acquisition Corp., Montague Acquisition Corp. and Royal Ridge Acquisition Corp. The merger agreement also provides for the issuance of shares of our common stock to the holders of preferred stock of the Target REITs as merger consideration.

The merger agreement provides that upon consummation of the mergers, each share of preferred stock in the Target REITs will be converted into that number of shares of our common stock set forth below opposite the name of the applicableTarget REIT.

Target REIT	Total number of shares of preferred stock outstanding	Shares of our common stock issuable in exchange for each share of preferred stock	Total shares of our common stock issuable to Target REIT stockholders*
Addison Circle	636	5,948.67	3,783,354
Collins Crossing	555	6,167.63	3,423,035
Montague	334	5,649.72	1,887,007

Royal Ridge	297.50	6,055.79	1,801,598

* Rounded to the nearest whole share.

Consummation of the mergers is subject to a number of conditions and will not occur unless, among other things, the holders of a majority of preferred stock of each Target REIT vote to approve the mergers. We anticipate the mergers to be consummated on or about December 31, 2004 or earlier if all the conditions to the mergers are satisfied.

Corporate Information

FSP Corp. is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust for federal income tax purposes. FSP Corp. is the successor to Franklin Street Partners Limited Partnership, or the FSP Partnership, which was originally formed as a Massachusetts general partnership in January 1997 as the successor to a Massachusetts general partnership that was formed in 1981. On January 1, 2002, the FSP Partnership converted into FSP Corp. As a result of this conversion, the FSP Partnership ceased to exist and we succeeded to the business of the FSP Partnership. In the conversion, each unit of both general and limited partnership interests in the FSP Partnership was converted into one share of our common stock. As a result of the conversion, we hold, directly and indirectly, 100% of the interest in three former subsidiaries of the FSP Partnership: FSP Investments LLC, FSP Property Management LLC, and FSP Holdings LLC. We operate some of our business through these subsidiaries.

On June 1, 2003, we acquired 13 real estate investment trusts by merger. In these mergers, we issued 25,000,091 shares of our common stock to holders of preferred stock in these REITs. As a result of these mergers, we now hold all of the assets previously held by these REITs. As part of its growth strategy, FSP Corp. may make similar acquisitions in the future. The proposed acquisition of the Target REITs discussed earlier is part of that strategy.

Our principal executive offices are located at 401 Edgewater Place, Suite 200, Wakefield, Massachusetts 01880. The telephone number of our principle executive office is (781) 557-1300. We do not maintain a website.

For additional information about FSP Corp. and our business, see "Where You Can Find More Information."

We use the terms "FSP Corp.", the "company", "we", "us" and "our" in this prospectus to refer to the business of Franklin Street Properties Corp. and its subsidiaries unless otherwise noted.

RISK FACTORS

An investment in our common stock involves a high degree of risk. Our common stock is not listed or quoted on any national exchange or market. We intend to apply to list our common stock on the American Stock Exchange, or the

AMEX, under the symbol "FSP." We cannot give any assurances that we will file such listing application or, in the event we do, that AMEX will accept our listing application or that a meaningful trading market in our common stock will develop should AMEX accept our listing application. You should consider carefully the following information about these risks, together with the other information contained or incorporated by reference in this prospectus. Any of the risk factors we describe below could severely harm our business, financial condition and operating results.

REAL ESTATE AND BUSINESS RISKS

If we are not able to collect sufficient rents from each of our owned real properties, we may suffer significant operating losses or a reduction in cash available for future dividends.

A substantial portion of our revenues is generated by the rental income of our real properties. If our properties do not provide us with a steady rental income as a result of our inability to re-lease space upon the termination of existing leases or the inability of existing tenants to meet their obligations under existing leases, our revenues will decrease and may cause us to incur operating losses in the future or incur a reduction in cash available for future dividends.

We face risks in continuing to attract investors for Sponsored REITs.

Our investment banking/investment services business continues to depend upon its ability to attract purchasers of equity interests in Sponsored REITs. Our success in this area will depend on the propensity and ability of investors who have previously invested in Sponsored REITs to continue to invest in future Sponsored REITs and on our ability to expand the investor pool for the Sponsored REITs by identifying new potential investors. Moreover, our investment banking/investment services business may be affected to the extent existing Sponsored REITs incur losses or have operating results that fail to meet investors' expectations.

If we are unable to fully syndicate a Sponsored REIT, we may be required to keep a balance outstanding on our line of credit or use our cash balance to repay our line of credit, which may reduce cash available for distribution to our stockholders.

We typically draw on our line of credit to make an interim mortgage loan to a Sponsored REIT, so that it can acquire real property prior to the consummation of the offering of its equity interests; this interim loan is secured by a first mortgage of the real property acquired by the Sponsored REIT. Once the offering has been completed, the Sponsored REIT repays the loan out of the offering proceeds. If we are unable to fully syndicate a Sponsored REIT, the Sponsored REIT could be unable to fully repay the loan, and we would have to satisfy our obligation under our line of credit through other means. If we are required to use cash for this purpose, we would have less cash available for distribution to our stockholders.

Failure to renew, replace or extend our line of credit could have a material adverse effect on the cash available for distribution to our stockholders and would limit our growth.

Our line of credit matures in August 2005. We typically draw on our line of credit to make an interim mortgage loan to a Sponsored REIT, so that the Sponsored REIT can acquire real property prior to the consummation of the offering of such Sponsored REIT's equity interests. Once the offering has been completed, the Sponsored REIT repays the loan out of the offering proceeds. An inability to renew, replace or extend our line of credit could result in difficulty financing growth in the investment banking/investment services segment of our business. It could also result in a reduction in the cash available for distribution to our stockholders because revenue for our investment banking/investment services segment is directly related to the amount

of equity raised by Sponsored REITs which we syndicate. In addition, a significant part of our growth strategy is to acquire additional real properties by cash purchase or by acquisition of Sponsored REITs, and the loss of the line of credit would make it substantially more difficult to pursue acquisitions by either method. To the extent we have a balance outstanding on the line of credit on the date of its maturity, we would have to satisfy our obligation through other means. If we are required to use cash for this purpose, we would have less cash available for distribution to our stockholders.

We may not be able to find properties that meet our criteria for purchase.

Growth in our investment banking/investment services business and our portfolio of real estate is dependent on the ability of our acquisition executives to find properties for sale which meet our investment criteria. To the extent they fail to find such properties, we will be unable to syndicate offerings of Sponsored REITs to investors or enlarge our portfolio, and our business could have lower revenue, which would reduce the cash available for distribution to our stockholders.

We are dependent on key personnel.

We depend on the efforts of George Carter, our Chief Executive Officer, and our other executive officers. If any of them were to resign, our operations could be adversely affected. We do not have employment agreements with Mr. Carter or any other of our executive officers.

Our level of dividends may fluctuate.

Because our investment banking/investment services business is transactional in nature and real estate occupancy levels and rental rates can fluctuate, we cannot predict our level of revenue from such activities. As a result of this, the amount of cash available for distribution may fluctuate, which may result in us not being able to maintain or grow dividend levels in the future.

The real properties held by us may significantly decrease in value.

As of November 15, 2004, we owned 28 properties. Some or all of these properties may decline in value. To the extent our real properties decline in value, our stockholders could lose some or all the value of their investments. Although currently there is no public market for the shares of our common stock, the value of our common stock may still be adversely affected if the real properties held by us decline in value since these real properties represent the majority of the tangible assets held by us. Moreover, if either we are forced to sell or lease the real property held by us below its initial purchase price or its carrying costs or if we are forced to lease real property at below market rates because of the condition of the property, our results of operations would be adversely affected and such negative results of operations may result in lower dividends being paid to holders of our common stock.

We face risks in owning and operating real property.

An investment in us is subject to the risks incident to the ownership and operation of real estate-related assets. These risks include the fact that real estate investments are generally illiquid, which may impact our ability to vary our portfolio in response to changes in economic and other conditions, as well as the risks normally associated with:

- changes in general and local economic conditions;
- the supply or demand for particular types of properties in particular markets;
- changes in market rental rates;
- the impact of environmental protection laws; and
- changes in tax, real estate and zoning laws.

Certain significant costs, such as real estate taxes, utilities, insurance and maintenance costs, generally are not reduced even when a property's rental income is reduced. In addition, environmental and tax laws, interest rate levels, the availability of financing and other factors may affect real estate values and property income. Furthermore, the supply of commercial and multi-family residential space fluctuates with market conditions.

We face risks from tenant defaults or bankruptcies.

If any of our tenants defaults on its lease, we may experience delays in enforcing our rights as a landlord and may incur substantial costs in protecting our investment. In addition, at any time, a tenant of one of our properties may seek the protection of bankruptcy laws, which could result in the rejection and termination of such tenant's lease and thereby cause a reduction in cash available for distribution to our stockholders.

We may encounter significant delays in re-letting vacant space, resulting in losses of income.

When leases expire, we will incur expenses and may not be able to re-lease the space on the same terms. Certain leases provide tenants the right to terminate early if they pay a fee. If we are unable to re-lease space promptly, if the terms of the replacement bases are significantly less favorable than anticipated or if the costs are higher, we may have to reduce distributions to our stockholders. Approximately 8.2% of our rental revenue from commercial properties is from leases which expire over the next twelve months and substantially all of the leases relating to our residential apartment properties do not extend beyond twelve months.

We face risks from geographic concentration.

The properties in our portfolio, by aggregate square footage, are distributed geographically as follows: Southwest - 26%, Northeast - 31%, Midwest

- 19%, West - 16% and Southeast 8%. However, within certain of those segments, we hold a larger concentration of our properties in Houston, Texas - 18% and Washington, DC - 13%. We are likely to face risks to the extent that any of these areas in which we hold a larger concentration of our properties suffer deteriorating economic conditions.

We compete with national, regional and local real estate operators and developers, which could adversely affect our cash flow.

Competition exists in every market in which our properties are located and in every market in which our properties will be located. We compete with, among others, national, regional and numerous local real estate operators and developers. Such competition may adversely affect the percentage of leased space and the rental revenues of our properties, which could adversely affect our cash flow from operations and our ability to make expected distributions to our stockholders. Some of our competitors may have more resources than we do or other competitive advantages. Competition may be accelerated by any increase in availability of funds for investment in real estate. For example, decreases in interest rates tend to increase the availability of funds and therefore can increase competition. To the extent that our properties continue to operate profitably, this will likely stimulate new development of competing properties. The extent to which we are affected by competition will depend in significant part on local market conditions.

There is limited potential for an increase in leased space gains in our properties.

We anticipate that future increases in revenue from our properties will be primarily the result of scheduled rental rate increases or rental rate increases as leases expire. Properties with higher rates of vacancy are generally located in soft economic markets so that it may be difficult to realize increases in revenue when vacant space is re-leased.

We are subject to possible liability relating to environmental matters, and we cannot assure you that we have identified all possible liabilities.

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on or in its property. Such laws may impose liability without regard to whether the owner or operator knew of, or caused, the release of such hazardous substances. The presence of hazardous substances on a property may adversely affect the owner's ability to sell such property or to borrow using such property as collateral, and it may cause the owner of the property to incur substantial remediation costs. In addition to claims for cleanup costs, the presence of hazardous substances on a property could result in the owner incurring substantial liabilities as a result of a claim by a private party for personal injury or a claim by an adjacent property owner for property damage.

In addition:

- future laws, ordinances or regulations could impose material environmental liability;

- the current environmental conditions of our properties could be affected by the condition of properties in the vicinity of such properties (such as the presence of leaking underground storage tanks) or by third parties unrelated to us;

- tenants could violate their leases by introducing hazardous or toxic substances into our properties that could expose us to liability under federal or state environmental laws; or

- environmental conditions, such as the growth of bacteria and toxic mold in heating and ventilation systems or on walls, could occur at our properties and pose a threat to human health.

We are subject to compliance with the Americans With Disabilities Act and fire and safety regulations which could require us to make significant capital expenditures.

All of our properties are required to comply with the Americans With Disabilities Act (ADA), and the regulations, rules and orders that may be issued thereunder. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to persons with disabilities. Compliance with ADA requirements might require, among other things, removal of access barriers and noncompliance could result in the imposition of fines by the U.S. government, or an award of damages to private litigants.

In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. Compliance with such requirements may require us to make substantial capital expenditures, which expenditures would reduce cash otherwise available for distribution to its stockholders.

There are significant conditions to our obligation to redeem shares of our common stock, and any such redemption will result in the stockholders tendering shares receiving less than their fair market value.

Under our redemption plan, we are only obligated to use our best efforts to redeem shares of our common stock from stockholders wishing to have them redeemed. There are significant conditions to our obligation to redeem shares of our common stock including:

- we cannot be insolvent or be rendered insolvent by the redemption;

- the redemption cannot impair our capital or operations;

- the redemption cannot contravene any provision of federal or state securities laws;

- the redemption cannot result in our failing to qualify as a REIT; and

- our management must determine that the redemption is in our best interests.

Any redemption effected by us under this plan would result in those stockholders tendering shares of our common stock receiving 90% of the fair market value of such shares, as determined by our board of directors in its sole and absolute discretion, and not their full fair market value. If our common stock becomes listed for trading on AMEX or any other national securities exchange or the NASDAQ National Market, we will no longer be obligated to effect any redemption.

We may lose capital investment or anticipated profits if an uninsured event occurs.

We carry or our tenants are obligated to carry comprehensive liability, fire and extended coverage with respect to each of our properties, with policy specification and insured limits customarily carried for similar properties. There are, however, certain types of losses, such as from wars, terrorist events, pollution or earthquakes, that may be either uninsurable or not economically insurable (although the properties located in California all have earthquake insurance). Should an uninsured material loss occur, we could lose both capital invested in the property and anticipated profits.

Contingent or unknown liabilities acquired in mergers or similar transactions could require us to make substantial payments.

The properties which we acquired in mergers were acquired subject to liabilities and without any recourse with respect to liabilities, whether known or unknown. As a result, if liabilities were asserted against us based upon any of these properties, we might have to pay substantial sums to settle them, which could adversely affect our results of operations and financial condition and our cash flow and ability to make distributions to our stockholders. Unknown liabilities with respect to properties acquired might include:

o liabilities for clean-up or remediation of environmental conditions;

o claims of tenants, vendors or other persons dealing with the former owners of the properties; and

o liabilities incurred in the ordinary course of business.

We would incur adverse tax consequences if we failed to qualify as a REIT.

If in any taxable year we do not qualify as a real estate investment trust, we would be taxed as a corporation and distributions to our stockholders would not be deductible by us in computing our taxable income. In addition, if we were to fail to qualify as a real estate investment trust, we could be disqualified from treatment as a real estate investment trust in the year in which such failure occurred and for the next four taxable years and, consequently, we would be taxed as a corporation during such years. Failure to qualify for even one taxable year could result in a significant reduction of our cash available for distribution to stockholders or could require us to incur

indebtedness or liquidate investments in order to generate sufficient funds to pay the resulting federal income tax liabilities. The provisions of the Internal Revenue Code governing the taxation of real estate investment trusts are very technical and complex, and although we expect that we will be organized and will operate in a manner that will enable us to meet such requirements, no assurance can be given that we will always succeed in doing so. In addition, you should note that if one or more of the REITs we acquired in June 2003 or any of the Target REITs did not or does not qualify as a real estate investment trust immediately prior to the consummation of its acquisition, we would be disqualified as a REIT as a result of such acquisition.

Provisions in our organizational documents may prevent changes in control.

Our Articles of Incorporation and Bylaws contain provisions, described below, which may have the effect of discouraging a third party from making an acquisition proposal for us and may thereby inhibit a change of control under circumstances that could otherwise give the holders of our common stock the opportunity to realize a premium over the then-prevailing market prices.

Ownership Limits. In order for us to maintain our qualification as a real estate investment trust, the holders of our common stock may be limited to owning, either directly or under applicable attribution rules of the Internal Revenue Code, no more than 9.8% of the lesser of the value or the number of equity shares of us, and no holder of common stock may acquire or transfer shares that would result in our shares of common stock being beneficially owned by fewer than 100 persons. Such ownership limit may have the effect of preventing an acquisition of control of us without the approval of our board of directors. Moreover, we will have the right to redeem any shares of common stock that are acquired or transferred in violation of these provisions at the market price, which is determined by our board of directors. This right of redemption will no longer be effective should we list our common stock on the AMEX or any other national securities exchange or the NASDAQ National Market. In addition, our Articles of Incorporation give our board of directors the right to refuse to give effect to the acquisition or transfer of shares by a stockholder in violation of these provisions.

Staggered Board. Our board of directors is divided into three classes. The terms of these classes will expire in 2005, 2006 and 2007, respectively. Directors of each class are elected for a three-year term upon the expiration of the initial term of each class. The staggered terms for directors may affect our stockholders' ability to effect a change in control even if a change in control were in the stockholders' best interests.

Preferred Stock. Our Articles of Incorporation authorize our board of directors to issue up to 20,000,000 shares of preferred stock, par value $.0001 per share, and to establish the preferences and rights of any such shares issued. The issuance of preferred stock could have the effect of delaying or preventing a change in control even if a change in control were in our stockholders' best interest.

Increase of Authorized Stock. Our board of directors, without any vote or consent of the stockholders, may increase the number of authorized shares of any class or series of stock or the aggregate number of authorized shares we have authority to issue. The ability to increase the number of authorized shares and issue such shares could have the effect of delaying or preventing a change in control even if a change in control were in our stockholders' best interest.

Amendment of Bylaws. Our board of directors has the sole power to amend our Bylaws. This power could have the effect of delaying or preventing a change in control even if a change in control were in our stockholders' best interests.

Stockholder Meetings. Our Bylaws require advance notice for stockholder proposals to be considered at annual meetings of stockholders and for stockholder nominations for election of directors at special meetings of stockholders. Our Bylaws also provide that stockholders entitled to cast more than 50% of all the votes entitled to be cast at a meeting must join in a request by stockholders to call a special meeting of stockholders. These provisions could have the effect of delaying or preventing a change in control even if a change in control were in the best interests of our stockholders.

Supermajority Votes Required. Our Articles of Incorporation require the affirmative vote of the holders of no less than 80% of the shares of capital stock outstanding and entitled to vote in order (i) to amend the provisions of our Articles of Incorporation relating to the classification of directors, removal of directors, limitation of liability of officers and directors or indemnification of officers and directors or (ii) to amend our Articles of Incorporation to impose cumulative voting in the election of directors. These provisions could have the effect of delaying or preventing a change in control even if a change in control were in our stockholders' best interest.

There is no public trading market for our securities.

There is no public trading market for our common stock, and we cannot assure you that any market will develop or that, if such a market develops, there will be any liquidity in such a market for our common stock. We intend to apply to list our common stock on the American Stock Exchange, or the AMEX, under the symbol "FSP." We cannot give any assurances that we will file such listing application or, in the event we do, that AMEX will accept our listing application or that a meaningful trading market in our common stock will develop should AMEX accept our listing application.

The trading price of our common stock following listing on the American Stock Exchange or another national securities exchange is uncertain. Our common stock could trade at a lower price than anticipated.

Although we intend to file an application to list our common stock on the AMEX, we are not obligated to make such a filing. There can be no assurances that we will file such application or, in the event we do, that AMEX will accept the application. Therefore, a trading market may not develop at all, or if one does, it may not be meaningful. If a trading market does develop, the market prices for our common stock may fluctuate with changes in market and economic conditions, the financial condition of our securities, including the market perception of REITs in general. Such fluctuations may depress the market price of our common stock independent of our financial performance. The market conditions for REIT stocks generally could affect the market price of our common stock.

MERGER RISKS

The officers and directors of FSP Corp. have conflicts of interest that may have influenced them to support or approve the merger agreement.

A number of conflicts of interest are inherent in the relationships among the Target REITs, the board of directors of the Target REITs, FSP Corp., our board of directors and their respective affiliates. These conflicts of interest include, among others:

- George J. Carter, our President, Chief Executive Officer and director, is the President and a director of each Target REIT;

- Barry Silverstein and Dennis J. McGillicuddy, each a director of FSP Corp., own an aggregate of 173 and 14 shares of preferred stock in the Target REITs, respectively. Such shares of preferred stock will convert into approximately 1,022,217 and approximately 80,837 shares of our common stock, respectively, upon consummation of the mergers;

- Richard R. Norris, our Executive Vice President and director, is also a director and an Executive Vice President of each Target REIT;

- Barbara J. Fournier, our Vice President, Chief Operating Officer and director, is also Vice President, Chief Operating Officer, Treasurer, Secretary and a director of each Target REIT;

- Janet P. Notopoulos, our Vice President and director, is also a Vice President of each Target REIT;

- R. Scott MacPhee and William W. Gribbell, each our Executive Vice President, is also each a director and an Executive Vice President of each Target REIT; and

- The Target REITs' properties are managed by FSP Property Management, our subsidiary, pursuant to Management Services Agreements under which we receive certain fees for our management services.

The directors of the Target REITs may have been more inclined to vote for the mergers as a result of their ownership of our common stock since an increase in the real property assets owned by us may result in greater value for FSP Corp. stockholders.

Our officers and directors who are officers and directors of the Target REITs have fiduciary duties to manage the Target REITs in a manner beneficial to the stockholders of the Target REITs. Similarly, our directors and officers, including Mr. Carter, have fiduciary duties to manage FSP Corp. in a manner beneficial to us and our stockholders. In some circumstances, including the negotiation of the merger agreement, Mr. Carter's and the other directors' and officers' duties to the Target REITs and their stockholders and their ownership of stock in the Target REITs may conflict with their duties, as our directors and officers, to us and our stockholders. A potential conflict between such fiduciary duties may not be resolved, or if resolved, may be resolved in a manner less favorable to us and our stockholders than would otherwise have been the case if we were dealing with unaffiliated parties.

If the combined company is not able to collect sufficient rents from each of its owned real properties, the combined company may suffer significant operating losses.

A substantial portion of the combined company's revenues will be generated by the rental income of its real properties. If the additional properties acquired by us in the mergers or the existing properties owned by us do not provide the combined company a steady rental income, the combined company's revenues will decrease and may cause the combined company to incur operating losses in the future.

The mergers may affect the level of dividends received by our stockholders.

The mergers may affect the level of dividends made to our stockholders by the combined company. The level of dividends after the consummation of the mergers may be lower than the level of dividends our stockholders received with respect to our common stock prior to the mergers due to the dilution of their percentage ownership our stockholders will incur upon consummation of the mergers. Each Target REIT expects to declare in the fourth quarter of 2004 and pay to its stockholders thereafter a dividend with respect to its third quarter 2004 operations. The cash paid out in these dividends will reduce the amount of cash held by each Target REIT and acquired by us upon consummation of the mergers. Because the Target REITs have not yet declared these cash dividends, we cannot estimate the aggregate amount of such dividends. Pursuant to the merger agreement, we have assumed the obligation to pay any such dividends that have been declared but not paid prior to the consummation of the mergers. In addition, we expect to declare in the fourth quarter of 2004 and pay to our stockholders in the fourth quarter of 2004 dividends in respect of third quarter 2004 operations. The cash available for this dividend and possibly for future dividends to our stockholders will be reduced by the amount of expenses related to the mergers paid by us. Regardless of the initial level of the combined company's dividends, they could decline in the future to a level at which our stockholders could receive lower dividends than they received prior to the consummation of the mergers.

Our stockholders will be diluted upon the consummation of the mergers.

The issuance of approximately 10,894,994 shares of our common stock as merger consideration will cause our stockholders to be immediately diluted in percentage ownership. As of August 13, 2004, there were 49,629,762 shares of our common stock issued and outstanding. Moreover, because the stockholders of the Target REITs will become stockholders of the combined company immediately following the mergers, our stockholders will also lose relative voting power relating to matters of the combined company to be voted on by all security holders.

11

The combined company may be liable for contingent or undisclosed liabilities of the Target REITs.

Each of the Target REITs has delivered to us its financial statements disclosing all known material liabilities and reserves, if any, set aside for contingent liabilities. Each Target REIT has represented and warranted that the financial statements fairly present the financial position of each Target REIT, and each Target REIT will be required to deliver on the effective date an officer's certificate stating that there have been no material adverse changes in its financial condition between the date of the financial statements and such effective date. The accuracy and completeness of these representations are conditions to the consummation of the mergers and if, on or prior to the effective date, these representations and warranties are known to be inaccurate, we may elect not to consummate the merger with the Target REIT that failed to fully and accurately disclose its financial position. As these representations do not survive the effective date, after the effective date the combined company will have no recourse against the Target REITs or their stockholders for any contingent or undisclosed liabilities which first became known after the effective date. If any contingent or undisclosed liabilities are discovered after the effective date, the combined company's balance sheet may be adversely affected, causing the value of our stockholders' interests in the combined company to decrease.

Following the consummation of the mergers, the combined company may no longer qualify as a REIT.

As a result of the combination of FSP Corp. with the Target REITs pursuant to the mergers, FSP Corp. might no longer qualify as a real estate investment trust under Section 856 of the Internal Revenue Code. FSP Corp. could lose its ability to so qualify for a variety of reasons relating to the nature of the assets acquired from the Target REITs, the identity of the shareholders of the Target REITs who become shareholders of FSP Corp. or the failure of one or more of the Target REITs to have previously qualified as a real estate investment trust. If the combined company fails to qualify as a REIT, the combined company could be disqualified from treatment as a REIT in the year in which such failure occurred and for the next four taxable years and, consequently, would be taxed as a regular corporation during such years.

DETERMINATION OF THE FAIR MARKET VALUE OF OUR COMMON STOCK

Our common stock is not listed or quoted on any national exchange or other market. We intend to apply to list our common stock on the AMEX under the symbol "FSP." We cannot give any assurances that we will file such listing application or, in the event we do, that AMEX will accept our listing application or that a meaningful trading market in our common stock will develop should AMEX accept our listing application. The fair market value of our common stock was determined through negotiations between FSP Corp. and the special committees of the Target REITs in connection with the merger transactions discussed under "Recent Developments". Assuming our common stock does become publicly traded, the future price per share of our common stock may be lower than the $17.70 price per share negotiated between the special committees of the Target REITs and FSP Corp.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This prospectus contains or incorporates forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these forward-looking statements by our use of the words "believes", "anticipates", "plans", "expects", "may", "will", "intends", "estimates" and similar expressions, whether in the negative or affirmative. Although we believe that these forward-looking statements reasonably reflect our plans, intentions and expectations, we cannot guarantee that we actually will achieve these plans, intentions or expectations. Our actual results could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements, particularly under the heading "Risk Factors", that we believe could cause our actual results to differ materially from the forward-looking statements that we make. Except as required by law, we do not intend to update information contained in any forward-looking statement we make to conform them to actual results or to changes in our expectations that occur after the date of this prospectus.

USE OF PROCEEDS

We are registering 25,000,091 shares of our common stock held by the persons named herein as "selling stockholders" pursuant to a registration statement of which this prospectus is a part. FSP Corp. will not receive any of the proceeds from any future sale of the shares being registered hereby.

Our common stock is not listed or quoted on any national exchange or market. We intend to apply to list our common stock on the American Stock Exchange, or the AMEX, under the symbol "FSP." We cannot give any assurances that we will file such listing application or, in the event we do, that AMEX will accept our listing application or that a meaningful trading market in our common stock will develop should AMEX accept our listing application. The selling stockholders or their pledgees, donees, transferees or other successors-in-interest named herein may offer the shares from time to time through public, in the instance where AMEX accepts our listing application, or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices.

SELLING STOCKHOLDERS

The following table sets forth information, to our knowledge, regarding the beneficial ownership of our common stock by each of the selling stockholders as of August 13, 2004 and the number of shares of common stock being offered hereby.

The number of shares beneficially owned by each selling stockholder is determined in accordance with the Securities and Exchange Commission rules, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the person has sole or shared voting power or investment power and also any shares which the person has the right to acquire within 60 days after August 13, 2004 through the exercise of any stock option or other right. The inclusion of such shares in the table below, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner of such shares. Unless otherwise indicated, to our knowledge each person or entity named in the table has sole voting power and investment power, or shares such power with his or her spouse, with respect to all shares of capital stock listed as owned by such person or entity. None of the selling stockholders has the right to acquire any shares of our common stock through the exercise of any stock option or other right.

	Shares Beneficially Owned Prior to Offering		
Name of Selling Stockholder	Number of Shares	Percentage of Outstanding Shares	Number Shares B Offer
Bernard S. Abrams Family Trust	66,938	*	24,1
Shirley Ann Abrams	26,304	*	10,4
Ben Abrohams	3,415	*	3,4
Molly H. Abrohams	3,415	*	3,4
Kurt Adams	1,696	*	1,6
Mary Masland Adams	20,935	*	20,9
ADI Family Limited Partnership	194,273	*	48,6
Steven J. Agresta	48,494	*	48,4
Walter D. Albert II	1,745	*	1,7
Richard P. Albertson, MD	15,659	*	6,8
John L. Allen	11,319	*	6,9
George L. Altman	27,501	*	6,7
Richard P. Ames	17,019	*	17,0
Anderson 2003, LLC	6,830	*	6,8
The Anderson Family Trust	13,659	*	13,6
Oakley V. Andrews	6,839	*	6,8
David L. Ansell	24,073	*	10,4
Arbors At Hop Brook Limited Partnership	34,931	*	23,8
Arens Industries, Inc.	13,566	*	13,5
Frank Argano	6,787	*	6,7
Randall Arnaud	3,400	*	3,4
Norman B. Asher & Lenore E. Asher	19,207	*	13,9
Norman B. Asher	3,411	*	3,4

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering: Number of Shares	Shares Beneficially Owned Prior to Offering: Percentage of Outstanding Shares	Number Shares B Offer
Ashoka: Innovators for the Public	64,599	*	64,5
ATI Carriage House, Inc.	6,842	*	6,8
The Estate of Lois L. Austin	3,491	*	3,4
Robert B. Austin	6,801	*	6,8
George S. Baird & E. Jen Baird	6,115	*	1,7
Charles S. Baker	1,701	*	1,7
Walter M. Baker	11,548	*	1,8
Donald Bakove	26,548	*	3,3
Robert L. Ball	44,687	*	13,9
BANCONE & CO. nominee of Bancone Corp.	6,905	*	6,9
Peter A. Banks, MD	3,411	*	3,4
Donn P. Barber	50,728	*	20,5
Timothy J. Barker	8,824	*	8,8
Bashinsky Foundation, Inc.	410,489	*	75,7
Sloan Y. Bashinsky, Sr.	682,202	1.37%	399,1
Mary J. Bastian 2002 Intangible Irrevocable Trust	68,062	*	68,0
Jesse Baumgold	20,501	*	20,5
Adam S. Bazelon 1983 Trust	16,571	*	3,3
Matthew B. Bazelon	16,571	*	3,3
Susan Soref Bazelon 1991 Trust	3,402	*	3,4
Dr. Sheldon B. Bearman & Arlene E. Berman	6,824	*	6,8
Claude J. Beaudoin	6,813	*	6,8
Malcolm Beinfield	28,935	*	13,6
Marjorie K. Beinfield	3,393	*	3,3
Maurice Belkin and Deborah Belkin	99,587	*	38,3
Indenture of Trust of Ene Y. Benjamin 1990 Revocable Trust as Amended & Restated 11/13/2002	3,413	*	3,4
Kelley A. Bergstrom Revocable Trust	51,258	*	20,3
Betsy J. Bernard Revocable Trust	13,644	*	13,6
James F. Bernard Trust	27,115	*	8,7
Louise N. Bernard Trust	7,998	*	3,3
Howard I Bernstein Trust	60,203	*	10,1
Scott J. Bernstein 1998 Special Trust	3,651	*	3,6
The Sumner T. Bernstein Family Trust	19,584	*	19,5
Terry S. Bernstein	60,057	*	39,4

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering: Number of Shares	Shares Beneficially Owned Prior to Offering: Percentage of Outstanding Shares	Number Shares B Offer
Donald F. Blackburn	63,591	*	6,9
Andre A. Blay & Nancy J. Blay	68,053	*	68,0

Andre A. Blay	6,830	*	6,8
Jack N. Blechner, M.D.	33,805	*	20,7
Steven L. Blechner	1,705	*	1,7
Ira M. Blitzsten Living Trust	6,052	*	3,3
Charles J. Bloom	29,272	*	13,9
Nancy Osher Blumberg Trust	20,415	*	20,4
Dino Boggio Trust u/a dated 5/30/91	3,393	*	3,3
Bank of Oklahoma, NA, as Managing Agent for Thomas G. & Karie Apel Managerial Agency	6,805	*	6,8
Bank of Texas, N.A., as Trustee of the Deana K. Butler Children's Trust	16,969	*	16,9
Bank of Texas, N.A., as Trustee of the Robert S. Butler's Children's Trust	33,938	*	33,9
Bank of Oklahoma, N.A., as Trustee of the J.A. & Leta M. Chapman Charitable Trust	1,261,316	2.54%	1,261,3
Bank of Oklahoma, N.A., as Trustee of the J.A. & Leta Chapman Trust	163,010	*	163,0
Bank of Oklahoma, N.A., as Trustee of the Leta McFarlin Chapman Memorial Trust	359,985	*	359,9
Bank of Oklahoma, N.A., as Trustee of the Leta M. Chapman Trust Fund	228,951	*	228,9
Bank of Oklahoma, N.A., as Trustee of the Ruth Cowles & Andrew G. Cowles Memorial Trust	20,372	*	20,3
Bank of Oklahoma, N.A. as Trustee of the Grayce B. Flynn Trust #4 dtd 01/15/65	13,566	*	13,5
Bank of Oklahoma, NA, as Managing Agent for the Charles Friedlander & Debbie Friedlander Investment Managing Agency	6,823	*	6,8
Bank of Albuquerque, NA, Agent - Timothy W. & Kelly M. Frost Investment Agency	3,402	*	3,4
Bank of Oklahoma, N.A. as Trustee of the MB Galloway Generation Skipping Trust B-1	6,787	*	6,7
Bank of Albuquerque, NA, Agent for the Brad & Deborah Haslam Investment Agency	3,402	*	3,4

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering: Number of Shares	Shares Beneficially Owned Prior to Offering: Percentage of Outstanding Shares	Number Shares B Offer
Bank of Oklahoma, N.A. as Trustee of the Arthur A. Johnson, Jr., Rev. Mgmt Trust	6,787	*	6,7
Bank of Texas Trust Company, N.A. as Trustee of the Byrd Fiedler Livengood Trust	33,938	*	33,9
Bank of Oklahoma, N.A., as Trustee of the Ida M. McFarlin Memorial Trust	27,151	*	27,1
Bank of Oklahoma, NA, as Managing Agent for the Daniel K. Meyer Managing Agency	6,822	*	6,8
Bank of Oklahoma, Agent for the Carl Shortt Rev. Trust Investment Agency	13,609	*	13,6
Bank of Oklahoma, Agent for the Elizabeth M. Shortt Rev. Trust Investment Agency	13,609	*	13,6

Bank of Texas Trust Company, N.A. as Agent for Tandy Properties LP Acct # 71-8923-01-4	6,779	*	6,7
Bank of Oklahoma, N.A., as Trustee of the Pauline McFarlin Walter Memorial Trust	88,301	*	88,3
Harold W. Bonus & Carol L. Bonus	48,503	*	1,6
Donald J. Both & Ellen E. Both	155,032	*	67,7
George S. Bovis Revocable Trust	29,591	*	20,7
W. Reynolds Bowers	10,705	*	10,7
Edward H. Bowman, Jr.	27,530	*	27,5
Nancy H. Brach	54,237	*	48,3
Brant Investments, LLC	48,061	*	48,0
The Robert & Catherine Breit Family LP	27,448	*	27,4
Robert Aaron Breit Revocable Living Trust	144,353	*	6,8
Marie Bremer Trust	3,389	*	3,3
Joel Bresler	29,941	*	5,1
Paul P. Brountas, Esq.	302,046	*	50,3
Bruce K. Brown, III	1,707	*	1,7
Cooper, Brown & Behrle, P.C., PSP	17,015	*	17,0
David S. Brown	7,519	*	5,2
Kenneth Brown	22,795	*	13,5
Rowland C.W. Brown	8,797	*	3,4
Toliver J. Brown	33,286	*	8,6
Robert H. Brownlee	6,839	*	6,8
Brusandava Limited Partnership 2002-1, Ltd.	3,411	*	3,4
Elizabeth E. Bryson Revocable Trust	43,516	*	10,3

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering		
	Number of Shares	Percentage of Outstanding Shares	Number Shares B Offer
Arlene M. Bunis	6,822	*	6,8
Charles C. Burnham Revocable Trust	6,842	*	6,8
Burson Family Partnership (LP)	45,351	*	17,5
Peter J. Byrne Trust	35,832	*	35,8
Bruce D. Cahill & Thea M. Cahill	15,297	*	15,2
B. Wayne Caltrider	20,468	*	20,4
Jay A. Caltrider	17,088	*	17,0
Jennifer A. Caltrider-Adams	6,839	*	6,8
Marie T. Campagna & Michael J. Klich, Jr.	55,539	*	55,5
Michael J. Canan, Inc. Profit Sharing Pl. & Tr.	22,590	*	5,1
Caplin Family Investments LLC	877,703	1.77%	61,4
Mortimer M. Caplin	134,653	*	61,7
Ruth Caplin	327,987	*	168,9
Stephen C. Carlson & Patricia B. Carlson	5,700	*	3,3
Robert F. Carr	12,108	*	1,6
Robert Allen Caspe	6,822	*	6,8
Charles Cerf	100,456	*	10,4
Donald R. Chabot	13,629	*	13,6
John D. Chambliss	8,981	*	3,4
William F. Chandler	13,574	*	13,5
Barbara L. Chappell & Paul Birch	18,808	*	14,1

Loys Charbonnet III Revocable Trust	38,321	*	38,3
Susan S. Cherry Trust dated 10/31/2000	12,602	*	3,4
Roger K. Christensen	6,822	*	6,8
Ann J. Christian	1,745	*	1,7
Citation Capital LLC	55,154	*	55,1
James R. Clark & Martha C.Clark	10,211	*	10,2
Melinda J. Cocke	7,298	*	8
Peter R. Coffin	11,459	*	7,0
Andrew H. Cohn & Marcia B. Leavitt	34,520	*	3,4
Theodore Cohn & Alice Ginott Cohen	68,353	*	41,1
George T. Cole	8,467	*	3,4
Richard P. Cole	66,960	*	31,1
Joseph E. Coleman	13,471	*	3,3
John S. Cone	44,324	*	10,2
John R. Congdon Revocable Trust dtd 8/29/91	22,456	*	13,6

	Shares Beneficially Owned Prior to Offering		
Name of Selling Stockholder	Number of Shares	Percentage of Outstanding Shares	Number Shares B Offer
James A. W. Cook	14,912	*	10,4
James L. Coorssen	3,411	*	3,4
Judith E. Cope	16,040	*	6,8
O. Gordon Cope	42,667	*	24,6
Core Investment Capital, LLC	3,402	*	3,4
Henry A. Corinha III(2)	145	*	1
James Coseo	20,388	*	20,3
J. T. Cottingham	1,706	*	1,7
John M. Crabill	71,554	*	10,4
The Bank of America, NA & Richard Thigpen Co Ttee	28,821	*	3,3
Catherine M. Criticos	61,893	*	17,2
Patricia S. Criticos	37,221	*	3,4
Joseph S. Cronin	21,013	*	3,4
Robert L. Crosby	1,743	*	1,7
Samuel A. Culbertson	3,415	*	3,4
J. Christopher Cuneo	1,743	*	1,7
Stephen J. Curtis	6,802	*	6,8
Estate of Clifford A. Cutchins, III	58,309	*	27,1
Charron A. Daigle	8,324	*	6,8
Marvin C. Daitch Revocable Trust	4,459	*	1,6
Thomas J. D'Alesandro, Esq.	33,918	*	13,7
James R. V. Daniel & Colleen H. Daniel	1,726	*	1,7
James R. V. Daniel	84,327	*	13,8
The Darman Irrevocable Trust	6,824	0.01%	6,8
Edward Darman	139,437	0.28%	139,4
Edward Darman Company Limited Partnership	596,459	1.20%	406,4
Gary Darman	13,649	*	13,6
Hilda Darman QTIP Trust	34,916	*	34,9
Linda Darman	27,328	*	27,3
Marjory Darms Revocable Trust	10,295	*	10,2
Ruth Davies Irrevocable Residuary Trust	103,540	*	29,1

S. John Davies Jr. Trust	34,076	*	34,0
Decahedron Partners, L.P.	174,079	*	51,8
Ray G. Decker, Jr.	1,707	*	1,7
Delta Management, Inc.	13,634	*	13,6

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering — Number of Shares	Shares Beneficially Owned Prior to Offering — Percentage of Outstanding Shares	Number Shares B Offer
John G. DeMaria & Gail A. Shcklette	6,824	*	6,8
Jane M. DeMay	3,487	*	3,4
Robert L. DeMay	10,259	*	10,2
DenJoe Investment Company	6,779	*	6,7
Charles M. Desenberg Irrevocable Trust	6,780	*	6,7
Charles M. Desenberg Revocable Trust	13,910	*	13,9
Marilyn A. Desenberg Revocable Trust	6,820	*	6,8
Robert W. Deutsch & Florence K. Deutsch	69,568	*	20,5
David S. Devendorf	16,750	*	6,9
James G. Dickinson	10,369	*	10,3
William Dickter	20,501	*	20,5
Herbert T. Dike Revocable Trust dtd 9/14/94	36,226	*	27,3
Robert J. Dockery & Susan J. Dockery	6,830	*	6,8
Paul R. Doering	7,472	*	5,2
Christopher G. Doran	61,368	*	61,3
Emilie L. Downs	3,410	*	3,4
Cary Drazner	1,707	*	1,7
Douglas D. Drysdale	29,287	*	20,4
Estate of Nancy A. Drysdale	20,584	*	20,5
Dorothy B. Dubin	1,701	*	1,7
Seth H. Dubin	5,104	*	5,1
Elizabeth M. Dunbar	39,953	*	13,7
Jack Durell Trust	3,423	*	3,4
D-W Family Limited Partnership	27,189	*	27,1
Gregg N. Dyste, MD	8,588	*	8,5
Eastholm Summer Associates Partnership	3,411	*	3,4
Robert A. Eaton Revocable Trust	14,085	*	10,6
Jorge Echenique, MD, PA, Qualified Deferred Compensation Trust	38,645	*	10,2
Michelle Echenique 2002 Revocable Trust	63,978	*	27,5
Marc F. Efron & Barbara H. Bares	1,701	*	1,7
EHF Investments	154,363	*	34,0
Julie J. Eiselt	3,411	*	3,4
Charles J. Eisen	6,792	*	6,7
Elk Partners	13,559	*	13,5
David N. Ellenhorn	13,594	*	13,5
Emanuel Family Investment Fund	24,298	*	12,1

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering: Number of Shares	Shares Beneficially Owned Prior to Offering: Percentage of Outstanding Shares	Number Shares B Offer
Dr. David A. Epstein & Sandra J. Epstein	16,978	*	16,9
William D. Epstein & Susan Osher Epstein Family Trust	3,526	*	3,5
Carl G. Erickson Living Trust	8,154	*	3,4
Evason Investments, LLC	3,415	*	3,4
William Bryan Farney & Marsha Farney	5,097	*	5,0
William Bryan Farney	6,815	*	6,8
Eternity Consulting Corporation Def. Ben. Pl.	6,830	*	6,8
Marjorie M. Feagin	7,233	*	3,4
Alexander N. Feick & Maile E. King Feick	3,411	*	3,4
Joan M. Feick	6,824	*	6,8
Alexander Davis Feldman	1,395	*	1,3
Catherine Starbuck Feldman	1,395	*	1,3
Ronald Eugene Feldman Trust	6,975	*	6,9
Stuart F. Feldstein & Ellen S. Feldstein	17,117	*	7,0
John R. Ferguson & Janine D. Harris	90,293	*	6,9
John Ferguson	36,084	*	3,3
Marc D. Fine Living Trust & Diana Rothbarth Revocable Trust No. 1	6,805	*	6,8
Trust u/a FIFTH f/b/o Nina Fingerhood	10,373	*	10,3
Finn Investors Limited Partnership	98,788	*	79,9
Dr. Steven G. Finn	149,172	*	55,1
John W. Fischer & Nancy M. Fischer	5,160	*	5,1
Edith Hall Fisher Revocable Trust	13,610	*	13,6
Stephen M. Fisher	6,824	*	6,8
Dr. Juan A. Fleites & M. Asuncion Fleites	20,432	*	20,4
Richard A. Flyg	14,256	*	5,2
Richard Flyg & Barbara Flyg	4,575	*	1,7
Dolores Fogel	22,937	*	1,8
Foley Family Foundation	20,466	*	20,4
Caroline R. Folkman	3,651	*	3,6
Jeffrey M. Folkman	8,830	*	8,8
Foreman Investment Capital, LLC	3,402	*	3,4
William Jackson Frable Living Trust	58,580	*	6,7
Julius Z. Frager & Susan Frager	3,411	*	3,4
Julius Z. Frager	17,217	*	3,3

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering: Number of Shares	Shares Beneficially Owned Prior to Offering: Percentage of Outstanding Shares	Number Shares B Offer

Franklin Street Partners Investment Group	3,411	*	3,4
William M. Freedman & Harriet A. Freedman	6,783	*	6,7
Steven M. Freeman & Kathryn P. Weibel	56,370	*	27,4
Carl H. Fridy	1,694	*	1,6
William A. Friedlander Revocable Trust	6,787	*	6,7
Sue E. Gallop Revocable Trust	6,779	*	6,7
Fay Marie Gallus	62,432	*	29,1
Donald E. Garlikov	3,649	*	3,6
Bob Gerber	80,676	*	24,4
Richard B. Gerber, M.D.	12,092	*	12,0
Suzannah Gerber Trust	22,534	*	6,9
Frederick J. Gerhart	18,979	*	1,7
Jeffrey A. Gerstner	26,786	*	3,4
Jeff M. Gerum 1994 Revocable Trust	35,943	*	31,5
Linda J. Gerum 1994 Revocable Trust	12,231	*	3,4
Gary S. Gilgore Trust	6,822	*	6,8
Herbert S. Gittelman	36,127	*	27,2
Linda Glick	10,105	*	1,6
Linda Glick & Alan Kudler	18,152	*	3,4
Cynthia B. Godfrey	23,618	*	6,9
Golden Partnership	21,907	*	21,9
Barry Goldsmith	17,055	*	17,0
Baila R. Goldstein	3,393	*	3,3
Internal Medicine Associates, Ltd.	6,805	*	6,8
William M. Goldstein	3,411	*	3,4
Jack Goodman	3,411	*	3,4
The Gordinier Family Trust	40,313	*	10,4
Jack B. Gordon & Lucile L.M. Gordon	10,198	*	10,1
Scott J. Grady & Judith L. Grady	3,421	*	3,4
Richard Donald Green & Barbara Adele Green	6,822	*	6,8
Lazar J. Greenfield Living Trust	44,859	*	17,5
Lewis Greenwald & Olive Greenwald	23,474	*	10,2
Susan P. Gribbell(3)	145	*	1
Susie L. Gribbell(3)	145	*	1
Theodore Griffin Gribbell(3)	145	*	1
William W. Gribbell (3)	129,616	*	1

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering: Number of Shares	Percentage of Outstanding Shares	Number Shares B Offer
Lawrence D. Griffin	1,713	*	1,7
William M. Griffin	364,715	*	132,6
Thomas J. Groark, Jr.	20,391	*	20,3
Gilbert Grossman, M.D.	3,449	*	3,4
Edward R. Grubb & Kathleen Delaski Grubb	20,338	*	20,3
Glenview Trust Company, Agent for Helen Harting Abell Fund C	3,427	*	3,4
Glenview Trust Company, Trustee for Judity A. Ayotte Revocable Trust #022	3,415	*	3,4
Glenview Trust Company, Custodian FBO:Robert C.			

Ayotte, IRA #032	6,823	*	6,8
Glenview Trust Company, Trustee for Robert C. Ayotte Revocable Trust #021	10,246	*	10,2
Glenview Trust Company, Trustee for Leo D. Bauer Revocable Trust #095	1,706	*	1,7
Glenview Trust Company, Trustee for J. Lyle Bayless, Jr. Trust u/w A Trust	1,706	*	1,7
Glenview Trust Company, Agent for Ina Brown Bond IMA#261	6,830	*	6,8
Glenview Trust Company, Trustee for Sara S. Brown Revocable Trust #008	27,293	*	27,2
Glenview Trust Company, Custodian FBO: Thomas F. Buetow, IRA# 307	5,117	*	5,1
Glenview Trust Company, Agent for William H. Carter IMA#026	3,412	*	3,4
Glenview Trust Company, Trustee for Archibald Cochran Trust U/W	6,823	*	6,8
Glenview Trust Company, Trustee for Archibald Cochran Trust U/W	6,823	*	6,8
Glenview Trust Company, Trustee for Margaret Lee Cochran Revocable Tr. #093	10,258	*	10,2
Glenview Trust Company, Custodian FBO: Burton J. Cohen MD, IRA# 076	11,972	*	11,9
Glenview Trust Company, Custodian FBO: David Daulton, IRA# 291	10,234	*	10,2
Glenview Trust Company, Trustee for Leonidas D. Deters, Jr. Revocable	11,977	*	11,9
Glenview Trust Company, Custodian FBO: A. Robert Doll, IRA# 186	3,411	*	3,4
Glenview Trust Company, Custodian FBO: Donald E. Doyle, IRA #274	8,543	*	8,5
Glenview Trust Company, Agent for George F. Duthie IMA #089	3,412	*	3,4
Glenview Trust Company, Custodian FBO: Tawana Edwards, IRA #070	6,830	*	6,8
Glenview Trust Company, Agent for Patricia S. & Katherine S. Fowler	5,126	*	5,1
Glenview Trust Company, Agent for Nancy S. Gilman Agency #119	8,534	*	8,5
Glenview Trust Company, Custodian for FBO: J. David Grissom, IRA #006	27,334	*	27,3
Glenview Trust Company, Custodian FBO: Arch L. Heady III, IRA #124	5,125	*	5,1

23

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering Number of Shares	 Percentage of Outstanding Shares	Number Shares B Offer
Glenview Trust Company, Trustee for Barbara W. Hendricks Revocable Tr. #154	1,705	*	1,7
Glenview Trust Company, Trustee for June Huber			

Revocable Trust #061	5,119	*	5,1
Glenview Trust Company, Trustee for Melvin L. Huber, Sr. Amended Trust #062	10,253	*	10,2
Glenview Trust Company, Agent for Susan Joseph, IMA #300	6,823	*	6,8
Glenview Trust Company, Custodian FBO: Patrick M. King, IRA #083	13,685	*	13,6
Glenview Trust Company, Custodian FBO: Charles Mahl, IRA #152	6,823	*	6,8
Glenview Trust Company, Trustee for Charles F. Mahl Revocable Trust #151	3,411	*	3,4
Glenview Trust Company, Custodian FBO: Louanne Mahl, IRA #153	1,705	*	1,7
Glenview Trust Company, Trustee for Louanne Wilson Mahl Revocable Tr. #150	3,411	*	3,4
Glenview Trust Company, Trustee for Maureen McRaith McGowan Revocable	1,706	*	1,7
Glenview Trust Company, Trustee for Douglas H. McKellar, Jr. Irrev. Trust	6,822	*	6,8
Glenview Trust Company, Trustee for Douglas H. McKellar Irrev. Trust	6,822	*	6,8
Glenview Trust Company, Trustee for Jessie Barket McKellar 1976 Trust	6,822	*	6,8
Glenview Trust Company, Trustee for Jessie Barker McKellar Trust Fund No. 2,	6,822	*	6,8
Glenview Trust Company, Trustee for Jessie Barker McKellar Charitable	44,412	*	44,4
Glenview Trust Company, Trustee for Eleanor Brown Moore #1 Revocable	6,832	*	6,8
Glenview Trust Company, Custodian FBO: James B. Moore, IRA #077	17,077	*	17,0
Glenview Trust Company, Trustee for James Morrissey Family Limited	3,412	*	3,4
Glenview Trust Company, Trustee for Kay Morrissey Family Limited	3,412	*	3,4
Glenview Trust Company, Custodian FBO: Debra M. Murphy, IRA #004	6,834	*	6,8
Glenview Trust Company, Custodian FBO: Ronald J. Murphy, IRA #001	10,258	*	10,2
Glenview Trust Company, Trustee for Ronald J. Murphy Revocable Trust #003	6,823	*	6,8
Glenview Trust Company, Trustee for Elaine Musselman Revocable Trust #044	6,823	*	6,8
Glenview Trust Company, Trustee for Sara B. Musselman Revocable Trust #088	6,823	*	6,8
Glenview Trust Company, Custodian FBO: Charles Clayton Neff, IRA #161	5,117	*	5,1
Glenview Trust Company, Trustee for Celeste M. Neuman Irrevocable Trust	5,116	*	5,1
Glenview Trust Company, Agent for Charles & Nancy Neumann, JTIC #273	6,831	*	6,8

Shares Beneficially Owned
Prior to Offering

Name of Selling Stockholder	Number of Shares	Percentage of Outstanding Shares	Number Shares B Offer
Glenview Trust Company, Custodian FBO: Douglas H. Owen, Jr., IRA #147	10,264	*	10,2
Glenview Trust Company, Custodian FBO: Gordon L. Ragan, IRA #078	6,826	*	6,8
Glenview Trust Company, Agent for Helen D. Rhawn IMA #601	1,705	*	1,7
Glenview Trust Company, Custodian FBO: Eugene H. Roos, IRA #259	3,419	*	3,4
Glenview Trust Company, Agent for Ann H. Sanderlin Rev. Trust	20,492	*	20,4
Glenview Trust Company, Trustee for Steven F. & Jeni L. Smith Revocable	27,293	*	27,2
Glenview Trust Company, Trustee for Steven F. Smith Revocable Trust #051	6,854	*	6,8
Glenview Trust Company, Custodian FBO: Leonard M. Spalding, Jr. IRA #050	10,239	*	10,2
Glenview Trust Company, Agent for Leonard Spalding, Jr. Investment	6,830	*	6,8
Glenview Trust Company, Agent for The Stults Foundation, Inc. #087	13,655	*	13,6
Glenview Trust Company, Agent for Martha M. Szabo POD Tatum J. Fowler	6,842	*	6,8
Glenview Trust Company, Trustee for Mary Hillerich Tabler Revocable	6,822	*	6,8
Glenview Trust Company, Trustee for E.H.T. Trust FBO: Elizabeth H. Tate	5,117	*	5,1
Glenview Trust Company, Custodian FBO: David E. Townes, IRA #200	13,667	*	13,6
Glenview Trust Company, Agent for Dianne K. Wilson IMA #23	6,823	*	6,8
Glenview Trust Company, Custodian FBO: Steven D. Wilson, IRA #228	3,419	*	3,4
Glenview Trust Company, Trustee for Paxton M. Wilt Irrev. Trust	5,117	*	5,1
Glenview Trust Company, Trustee for Paxton M. Wilt Irrev. Trust	5,117	*	5,1
Glenview Trust Company, Trustee for Ellen Zapp Revocable Trust #187	3,411	*	3,4
Richard B. Gushee Revocable Trust	5,124	*	5,1
Martha Rogers Haas 1996 Revocable Trust	20,507	*	20,5
Hackney One Investments LLC	13,644	*	13,6
Harry G. Hager & Barbara H. Hager	174,151	*	33,1
Harry G. Hager	29,801	*	11,9
John Halbreich	15,297	*	15,2
Edwin Hallberg, Jr.	27,257	*	27,2
John D. Hamilton, Jr.	44,379	*	14,2
Hale and Dorr Senior Partners' PSP	223,873	*	94,9
Ann R. Hanlon	13,566	*	13,5

Shares Beneficially Owned

Name of Selling Stockholder	Prior to Offering Number of Shares	Percentage of Outstanding Shares	Number Shares B Offer
J. Roger Hanlon	39,219	*	6,9
Wayne R. Hannah	20,451	*	20,4
Wayne R. Hannah, Jr.	22,761	*	13,5
David Harris, MD	1,696	*	1,6
Ruth B. Harris	22,802	*	13,5
William F. Harrity, Jr.	22,777	*	7,2
Gregory M. Harvey	10,194	*	10,1
Laura S. Hastings	3,412	*	3,4
Michael Hatch	10,237	*	10,2
Michael W. Hawkins & Diane M. Hawkins	3,440	*	3,4
Hayden Family Limited Partnership	6,817	*	6,8
H.B. Hayden Jr. Revocable Trust	69,517	*	14,1
Mr. Henry B. Hayden, Jr.	21,048	*	6,7
Nancy F. Hayes	4,497	*	1,6
Stephen W. Hayes & Nancy F. Hayes	18,114	*	3,5
W. Cobb Hazelrig	13,617	*	13,6
The Frederic A. Heim 1986 Trust	119,438	*	41,8
Richard A. Heise Sr. Living Trust dtd 9/29/99 & Restated 1/18/03 & any amendments thereto	90,075	*	14,2
Linda S. Henry	6,787	*	6,7
John J. Hessian	84,891	*	12,1
Harold Hestnes	107,699	*	6,9
John A.C. Hetherington	36,887	*	3,4
John A.C. Hetherington & E. Mavis Hetherington	33,205	*	24,2
John H. Hicks & Virginia S. Hicks	20,498	*	20,4
Catherine A. Higgins	49,543	*	49,5
Barbara L. Hildebrandt	3,411	*	3,4
Bradford W. Hildebrandt	3,412	*	3,4
Bradford W. Hildebrandt & Barbara L. Hildebrandt	6,842	*	6,8
Ann Hintlian 1993 Revocable Trust	6,822	*	6,8
Harold C. Hirshman	5,116	*	5,1
Timothy E. Hoberg & Caryl A. Yzenbaard	6,813	*	6,8
HOH Family Limited Partnership	57,923	*	57,9
Grace E. Hokin Trust dtd 10/15/85	29,295	*	20,4
Holland & Knight Defined Contribution	228,960	*	68,3

26

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering Number of Shares	Percentage of Outstanding Shares	Number Shares B Offer
Lillian R. Holland Irrevocable Trust	4,765	*	1,3
Samuel G. Holland Irrevocable Trust	1,395	*	1,3
Wesley G. Holland Irrevocable Trust	1,395	*	1,3
Norman K. Hollenberg, MD	40,408	*	6,7

Douglas Holmes & Erin Holmes	6,822	*	6,8
J. Thomas Holton	6,822	*	6,8
L. Lee Horschman	3,402	*	3,4
Lee Horschman	3,393	*	3,3
Carolyn K. Howard	6,854	*	6,8
Donald S. Howard	40,057	*	27,8
Glen S. Howard	6,783	*	6,7
Glen S. Howard Revocable Trust	55,915	*	5,1
Lauren R. Howard Revocable Trust	54,999	*	10,2
Loretta Howard 1947 Trust (Accum. Income)	6,975	*	6,9
Grace L. Huffaker Marital Trust	4,089	*	4,0
Grace L. Huffaker Residuary Trust	2,726	*	