

Kugler Michael E
 Form 3
 February 27, 2007

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

OMB APPROVAL

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

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

| | | | | | |
|---|---------|----------|--|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Date of Event Requiring Statement (Month/Day/Year) | 3. Issuer Name and Ticker or Trading Symbol | |
| Kugler Michael E | | | 02/27/2007 | FRANKLIN FINANCIAL SERVICES CORP /PA/ [FRAF] | |
| (Last) | (First) | (Middle) | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| 20 S MAIN STREET, PO BOX 6010 | | | | (Check all applicable) | |
| (Street) | | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| CHAMBERSBURG, PA 17201 | | | | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| (City) | (State) | (Zip) | | Senior Vice President | <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Franklin Financial Services Corp. | 1,734 | D | ^ |

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

SEC 1473 (7-02)

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

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

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| | Date Exercisable | Expiration Date | | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|--------------------------------------|------------------|-----------------|-----------------------------------|----------------------------|----------|---------------------------------------|---|
| Employee Stock Purchase Plan Options | 07/01/2006 | 06/30/2007 | Franklin Financial Services Corp. | 320 | \$ 23.11 | D | Â |
| Incentive Stock Options | 08/12/2004 | 02/12/2014 | Franklin Financial Services Corp. | 625 | \$ 27.68 | D | Â |
| Incentive Stock Options | 08/10/2005 | 02/10/2015 | Franklin Financial Services Corp. | 250 | \$ 27.42 | D | Â |
| Incentive Stock Options | 08/09/2006 | 02/09/2016 | Franklin Financial Services Corp. | 850 | \$ 24.92 | D | Â |
| Incentive Stock Options | 08/08/2007 | 02/08/2017 | Franklin Financial Services Corp. | 1,700 | \$ 27.37 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Kugler Michael E 20 S MAIN STREET PO BOX 6010 CHAMBERSBURG, PA 17201 | Â | Â | Â Senior Vice President | Â |

Signatures

Michael E. Kugler 02/27/2007

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.