FRANCHISE CAPITAL CORP
Form 10QSB
November 14, 2007

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

PURSUANT TO SECTION 13 OR 15 (d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended	Commission File Number
September 30, 2007	000-26887

FRANCHISE CAPITAL CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Nevada	98-0353403
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

10288 S. Jordan Gateway Suite F
South Jordan, Utah 84095
(Address of principal executive offices)

(801) 495-0882

Issuer's telephone number, including area code

29970 Technology Drive, Suite 203

Murrieta, California 92563

(Registrant's Former Name and Address)

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No[X]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes [ ] No[ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the last practicable date.

Class	Outstanding at November 8, 2007
Common Stock, $0.0001 par value	1,720,757,804 shares

Transitional Small Business Disclosure Format (check one): Yes [ ] No[X]

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

FRANCHISE CAPITAL CORPORATION

FINANCIAL STATEMENTS

September 30, 2007

Franchise Capital Corporation
Balance Sheet

	September 30, 2007 (Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	1,390
Total Current Assets		1,390
OTHER ASSTS:		
Prepaid expenses		37,427
Loan Receivable - Aero Exhaust		1,882,500
Total Other Assets		1,919,927
TOTAL ASSETS	$	1,921,317
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	17,112
Total Current Liabilities		17,112
TOTAL LIABILITIES		17,112
STOCKHOLDERS' EQUITY		
Preferred Stock, Authorized 30,000,000 Shares, $.0001 Par Value, 0 Shares Issued and Outstanding		-
Common Stock, Authorized 5,000,000,000 Shares, $.0001 Par Value, 964,129,838 Shares Issued and Outstanding		96,413
Stock payable		344,152
Paid-in capital		12,161,007
Accumulated deficit		(10,697,367)
Total Stockholders' Equity		1,904,205
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	1,921,317

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

Franchise Capital Corporation
Statements of Operations
(Unaudited)

	For the Three Months Ended			
	September 30, 2007		September 30, 2006	
EXPENSES:				
Accounting fees	$	3,930	$	125
Administrative expense		47,500		-
Contracted labor		20,500		16,000
Investor relations		9,028		-
Legal and professional fees		21,514		10,158
Rent		-		-
Salaries		-		-
G&A expenses		3,381		6,969
Total Expenses		105,853		33,252
TOTAL LOSS		(105,853)		(33,252)
OTHER INCOME (EXPENSE):				
Settlement costs		(143,505)		-
NET INCOME (LOSS)	$	(249,358)	$	(33,252)
WEIGHTED AVERAGE SHARES		944,704,809		72,062,852
NET LOSS PER SHARE		(0.0003)		(0.0005)

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

FRANCHISE CAPITAL CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended September 30, 2007	September 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (249,359)	$ (33,252)
Adjustments to reconcile net loss to net cash used		
by operating activities:		
Stock issued for services	71,250	-
Settlement costs	143,505	-
Decrease in prepaid expenses	(37,427)	-
Increase (decrease) in accounts payable and accrued liabilities	33,335	33,292
Net Cash Used by Operating Activities	(38,696)	40
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of Loan Receivable	(7,500)	-
Net Cash Used by Investing Activities	(7,500)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	-	(16)
Net Cash Provided by Financing Activities	-	(16)
INCREASE IN CASH AND EQUIVALENTS	(46,196)	24
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	47,586	-
	$ 1,390	$ 24

CASH AND EQUIVALENTS, END OF PERIOD		
Non-Cash Financing Activities:		
Stock issued for extinguishment of debt	$ 302,048	$ -

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

FRANCHISE CAPITAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2007

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Franchise Capital Corporation (the Company) a Nevada corporation, was incorporated on July 6, 2001. The Company was formerly named Cortex Systems, Inc. In December of 2004 the Company changed its name to Franchise Capital Corporation, to more accurately reflect its business of developing and franchising casual dining restaurants. The Company acquired the rights to four franchise concepts. Effective December 24, 2004, the Company became as an internally managed, closed end investment company electing to be treated as a business development company under the Investment Company Act of 1940, as amended.

In August 2006, the Company abandoned its business model and liquidated all of its investment holdings. On March 13, 2007, the Company held a shareholder meeting at which the Company s shareholders voted to withdraw the Company s election to be a business development company as defined by the 1940 Act. On March 14, 2007, the Company filed for N-54C to formally withdraw the Company s BDC status.

On October 4, 2007, the Company exchanged, pursuant to a Share Exchange Agreement with TTR-HR, Inc. (d/b/a Aero Exhaust, Inc.) (Aero) (the Share Exchange Agreement), an aggregate of 1,114,285,700 shares of its common stock for all of the issued and outstanding common stock of Aero.

In connection with the Share Exchange Agreement, the Company entered into a Commercial Revolving Line of Credit (the Line of Credit) under which it advanced a total of $1,875,000 to Aero. The terms of the Line of Credit called for any unpaid balance to be converted into shares of Aero common stock immediately prior to the Closing of the Share Exchange Agreement. Aero s shareholders accepted the redemption of the Line of Credit payable to the Company as part of the Share Exchange Agreement, which resulted in the Company s historic shareholders holding 600,000,000 shares of the Company s issued and outstanding common stock.

Immediately following the closing, there were 1,714,285,700 shares of the Company s common stock outstanding and Aero became a wholly-owned subsidiary of the Company.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred material operating losses, has continued operating cash flow deficiencies and has working capital deficit at September 30, 2007. These factors raise substantial doubt about the Company s ability to continue as a going concern. The Company believes that the share exchange with Aero Exhaust will result in the Company s achieving profitability in the short term; however, there is no guarantee that Aero s operations will prove profitable. The accompanying financial statements do not include any adjustments that might result from this uncertainty. These financial statements should be read in conjunction with the Company s annual report for the year ended June 30, 2007 as filed on Form 10-KSB.

NOTE 2 COMMON STOCK

In November 2006, the Company agreed to settle litigation with Golden Gate Investors on a past-due convertible debenture. Under the terms of the settlement, the Company placed 843,818,400 shares of its restricted common stock into an escrow account for satisfaction of the debenture. Golden Gate is allowed to withdraw the shares from escrow provided that their overall holdings in the Company do not exceed 4.9% of all issued and outstanding common stock. The debenture obligation is reduced by 80% of the average of the five lowest closing bid prices of the Company s common stock over a 90-day period prior to the share withdrawal multiplied by the number of shares being withdrawn. Under the terms of this settlement, as of October 23, 2007, 455,333,490 shares have subsequently been released from escrow and the debenture balance has been satisfied in full. During the quarter ended September 30, 2007, 531,221 shares were issued.

In connection with the debenture settlement with Golden Gate, Golden Gate entered into a stock purchase agreement which required Golden Gate to purchase $100,000 of the Company s restricted common stock for every $10,000 in debenture redeemed through the escrow. The Company previously received $2,206,501 from Golden Gate as an advance on future stock purchases under the agreement. As of September 30, 2007, the Company had sold 1,862,349 shares of restricted common stock to Golden Gate for $1,862,349 under the agreement, which was offset against the advance. The remaining advance of $344,152 has been recorded as Stock Payable in the accompanying financial statements.

During the three months ended September 30, 2007, the Company satisfied back salaries amounting to $127,048 due to former employees and management through the issuance of 14,946,830 shares of common stock issued pursuant to a form S-8 registration. In addition, 7,058,824 shares were issued under Form S-8 to consultants for services valued at $60,000.

During the three months ended September 30, 2007, the Company issued 1,125,000 shares of restricted common stock as consideration for $11,250 in services rendered valued at $0.01 per share.

During the three months ended September 30, 2007, the Company issued a total of 17,500,000 shares of common stock to satisfy debt obligations of $31,495. The shares were issued under a settlement agreement filed with the 12th Circuit Court in Sarasota County, Florida, pursuant to Section 3(a)10 of the Securities Act of 1933.

NOTE 3 - SUBSEQUENT EVENTS

On October 4, 2007, the Company accepted the resignations of Steven Peacock as the Company s Chief Executive Officer, Chief Financial Officer and Secretary, Robert McCoy as the Company s Chairman of the Board of Directors, James Bickel as a member of the Board of Directors and Gary Nerison as a member of the Board of Directors. These resignations are in connection with the consummation of the Share Exchange Agreement with Aero and the appointment of new directors do not arise from any disagreement on any matter relating to the Company s operations, policies or practices, nor regarding the general direction of the Company. None of these directors served on any subcommittees of the Board of Directors. Effective as of the same date the Company elected and appointed Bryan Hunsaker as Chairman and Chief Executive Officer of the Company, Shane Traveller as Interim Chief Financial Officer and Secretary, and Robert McMichael as a Director.

On October 4, 2007, the Company and Aero concluded the Share Exchange. As a result of the transaction, the Company agreed to issue a total of 1,114,285,700 new shares of restricted common stock, bringing the total number of shares of issued and outstanding common shares to 1,714,285,700. The shares are being issued in exchange for 6,745,456 shares of Aero common stock, representing 100% of the total issued and outstanding shares of Aero, and the satisfaction of Aero debt of $4,458,519. As of October 11, 2007, 1,977,814 shares of Aero (representing 15%) had not been tendered for exchange and continue to be held by minority shareholders. This resulted in 166,407,263 shares of the 1,114,285,700 new shares of the Company s common stock being placed in an escrow for the future exchange of the remaining Aero stock. As a result of the Share Exchange Agreement, the shareholders of Aero presently control approximately 65% of the total issued and outstanding shares of the Company. Aero elected to become the successor issuer for reporting purposes for all periods subsequent to September 30, 2007.

The following consolidated pro-forma financial statements reflect the balance sheet and statement of operations as of September 30, 2007 for Franchise Capital and Aero Exhaust:

Consolidated Balance Sheet
As of September 30, 2007

Cash & Cash Equivalents	$	27,083
Accounts Receivable		151,201
Other Current Assets		352,748
Total Current Assets		531,032
Fixed Assets, net of depreciation		110,875
Goodwill, net of impairment		12,859,605
Total Assets	$	13,501,512
Current Liabilities		
Accounts Payable	$	363,163
Current Portion of Debt		944,063
Total Current Liabilities		1,307,226
Equity		12,194,286
Total Liabilities & Equity	$	13,501,512

Consolidated Income Statement
For the Quarter Ended September 30,

	2007	2006
Revenues	$ 170,461	$ 166,178
Cost of Goods Sold	(78,261)	(54,700)
Gross Profit	92,200	111,478
General & Administrative Expenses	449,329	299,797
Settlement Costs	143,505	-
Sales & Marketing Expenses	82,685	734,182

Total Expenses	532,014	1,033,979
Net Loss	$ (439,814)	$ (922,501)

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words may, could, estimate, intend, continue, believe, anticipate or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in future filings of our Annual Report on Form 10-KSB, Quarterly Reports on Form 10-QSB and Current Reports on Form 8-K.

Item 2. Management s Discussion and Analysis or Plan of Operation

General

Franchise Capital Corporation (the Company) was formed as a Nevada corporation on July 6, 2001 under the name Cortex Systems, Inc. They were originally a development stage company that intended to establish memory clinics in several different locations in North America. Unfortunately, the Company was unable to successfully execute its business plan. In July of 2003, the Company changed its name to BGR Corporation. Along with the name change came a new management and ownership team. The intention of management is to acquire new innovative fast-casual restaurant concepts, develop them into a profitable working design, and franchise them across the country. The Corporation's partner, American Restaurant Development Company, is a professional restaurant designer, franchiser, and restaurant management company where principles have extensive experience in the industry. In December of 2004 the Company changed its name to Franchise Capital Corporation. The names Franchise Capital Corporation , "we", "our" and "us" used in this report refer to Franchise Capital Corporation.

On December 23, 2004, the company elected to be regulated as a Business Development Company (BDC) as outlined in the Investment Company Act of 1940 by filing a Form N-54A. As a BDC, the Company focused on investing and developing restaurant franchise companies and made several investments (discussed below). During the fourth quarter of 2006, the Company abandoned its business model and liquidated all of its investment holdings. On March 13, 2007, the Company held a shareholder meeting at which the Company s shareholders voted to withdraw the Company s election to be a business development company as defined by the 1940 Act. On March 13, 2007, the Company filed for N-54C to formally withdraw the Company s BDC status.

On October 4, 2007, the Company and Aero concluded the Share Exchange. As a result of the transaction, the Company agreed to issue a total of 1,114,285,700 new shares of restricted common stock, bringing the total number of shares of issued and outstanding common shares to 1,714,285,700. The shares are being issued in exchange for 6,745,456 shares of Aero common stock, representing 100% of the total issued and outstanding shares of Aero, and the satisfaction of Aero debt of $4,458,519. As of October 11, 2007, 1,977,814 shares of Aero (representing 15%) had not been tendered for exchange and continue to be held by minority shareholders. This resulted in 166,407,263 shares of the 1,114,285,700 new shares of the Company s common stock being placed in an escrow for the future exchange of the remaining Aero stock.In connection with the Share Exchange Agreement, the Company entered into a Commercial Revolving Line of Credit (the Line of Credit) under which it advanced a total of $1,875,000 to Aero. The terms of the Line of Credit called for any unpaid balance to be converted into shares of Aero common stock immediately prior to the Closing of the Share Exchange Agreement. Aero s shareholders accepted the redemption of the Line of Credit payable to the Company as part of the Share Exchange Agreement, which resulted in the Company s historic shareholders holding 600,000,000 shares of the Company s issued and outstanding common stock. As a result of the Share Exchange Agreement, the shareholders of Aero presently control approximately 65% of the total issued and outstanding shares of the Company.

Immediately following the closing, there were 1,714,285,700 shares of the Company s common stock outstanding and Aero became a wholly-owned subsidiary of the Company. For reporting purposes, Aero elected to become the successor issuer to Franchise Capital for all periods subsequent to September 30, 2007.

On October 4, 2007, the Company accepted the resignations of Steven Peacock as the Company s Chief Executive Officer, Chief Financial Officer and Secretary, Robert McCoy as the Company s Chairman of the Board of Directors, James Bickel as a member of the Board of Directors and Gary Nerison as a member of the Board of Directors. These resignations are in connection with the consummation of the Share Exchange Agreement with Aero and the appointment of new directors do not arise from any disagreement on any matter relating to the Company s operations, policies or practices, nor regarding the general direction of the Company. None of these directors served on any subcommittees of the Board of Directors. Effective as of the same date the Company elected and appointed Bryan Hunsaker as Chairman and Chief Executive Officer of the Company, Shane Traveller as Interim Chief Financial Officer and Secretary, and Robert McMichael as a Director.

RESULTS OF OPERATIONS

Three months ended September 30, 2007 compared to three months ended September 30, 2006

During the quarter ended September 30, 2007, the Company experienced a net loss of $249,358 compared to a net loss of $33,252 for the same period in 2006. The current period loss is primarily due to settlement costs of $143,505 related to debt reduction of $31,495 and $47,500 in administrative expenses.

The Company generated no revenues for the three month period ended September 30, 2007 and September 30, 2006.

Liquidity and Capital Resources

The Company s financial statements present an impairment in terms of liquidity. As of September 30, 2007 the Company had $17,112 in current liabilities and $1,390 in current assets. The Company has accumulated $10,697,367 of net operating losses through September 30, 2007 which may be used to reduce taxes in future years through 2027. The use of these losses to reduce future income taxes will depend on the generation of sufficient taxable income prior to the expiration of the net operating loss carry forwards. The potential tax benefit of the net operating loss carry forwards have been offset by a valuation allowance of the same amount. The Company has not yet established revenues to cover its operating costs. Management believes that the share exchange with Aero Exhaust will result in the Company s achieving profitability in the short term; however, there is no guarantee that Aero s operations will prove profitable. In the event the Company is unable to generate profits and if suitable financing is unavailable, there is substantial doubt about the Company s ability to continue as a going concern.

Item 3. Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the specified time periods. As of the end of the period covered by this report, Bryan Hunsaker, our chief executive officer and Shane Traveller, our chief financial officer evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Mr. Hunsaker and Mr. Traveller concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic SEC filings. There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

It should be noted, however, that no matter how well designed and operated, a control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems (including faulty judgments in decision making or breakdowns resulting from simple errors or mistakes), there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. Additionally, controls can be circumvented by individual acts, collusion or by management override of the controls in place.

PART II. Other Information

Item 1. Legal Proceedings

None

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In November 2006, the Company agreed to settle litigation with Golden Gate Investors on a past-due convertible debenture. Under the terms of the settlement, the Company placed 843,818,400 shares of its restricted common stock into an escrow account for satisfaction of the debenture. Golden Gate is allowed to withdraw the shares from escrow provided that their overall holdings in the Company do not exceed 4.9% of all issued and outstanding common stock. The debenture obligation is reduced by 80% of the average of the five lowest closing bid prices of the Company s common stock over a 90-day period prior to the share withdrawal multiplied by the number of shares being withdrawn. Under the terms of this settlement, as of October 23, 2007, 455,333,490 shares have subsequently been released from escrow and the debenture balance has been satisfied in full. During the quarter ended September 30, 2007, 531,221 shares were issued.

In connection with the debenture settlement with Golden Gate, Golden Gate entered into a stock purchase agreement which required Golden Gate to purchase $100,000 of the Company s restricted common stock for every $10,000 in debenture redeemed through the escrow. As of September 30, 2007, the Company had sold 1,862,349 shares of restricted common stock to Golden Gate for $1,862,349 under the agreement. In addition, the Company received $2,206,501 from Golden Gate as an advance on future stock purchases under the agreement. The advance has been recorded as Stock Payable in the accompanying financial statements.

During the three months ended September 30, 2007, the Company satisfied back salaries amounting to $127,048 due to former employees and management through the issuance of 14,946,830 shares of common stock issued pursuant to a form S-8 registration. In addition, 7,058,824 shares were issued under Form S-8 to consultants for services valued at $60,000.

During the three months ended September 30, 2007, the Company issued 1,125,000 shares of restricted common stock as consideration for $11,250 in services rendered valued at $0.01 per share.

During the three months ended September 30, 2007, the Company issued a total of 17,500,000 shares of common stock to satisfy debt obligations of $31,495. The shares were issued under a settlement agreement filed with the 12th Circuit Court in Sarasota County, Florida, pursuant to Section 3(a)10 of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits

The exhibits listed below are required by Item 601 of Regulation S-B.

Exhibit No.	Description	Location
3.1	Articles of Incorporation	*
3.2	Bylaws	*
14	Code of Ethics adopted December 23,2004	**
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	***
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	***
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	***
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	***
99(i)	Audit Committee Charter adopted December 23, 2004	**

* Incorporated by reference from Franchise Capital Corporation's Registration Statement on Form SB-2 filed on October 29, 2001.

** Incorporated by reference from Franchise Capital Corporation s Annual Report on Form 10-K for the Fiscal Year Ended June 30, 2005 filed on September 30, 2005.

*** Filed herewith.

SIGNATURE PAGE

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 13, 2007

/s/ Bryan Hunsaker

Bryan Hunsaker

Chief Executive Officer

EXHIBIT 31.1

SECTION 302

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Bryan Hunsaker, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Franchise Capital Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2007

By*: /s/ Bryan Hunsaker*

Bryan Hunsaker, Chief Executive Officer

EXHIBIT 31.2

SECTION 302

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Shane Traveller, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Franchise Capital Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2007 *By: /s/ Shane Traveller*

Shane Traveller, Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Franchise Capital Corporation (the "Company") on Form 10-QSB for the period ending September 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bryan Hunsaker, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operation of the Company.

/s/ Bryan Hunsaker

Bryan Hunsaker

Chief Executive Officer

November 13, 2007

EXHIBIT 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Franchise Capital Corporation (the "Company") on Form 10-QSB for the period ending September 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Shane Traveller, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operation of the Company.

/s/ Shane Traveller

Shane Traveller

Chief Financial Officer

November 13, 2007