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purchased or sold any securities of PTEC during the past two years; (v) no part of the purchase price or market value of the securities of PTEC owned by any participant in this solicitation is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities; (vi) no participant in this solicitation is, or within the past year was, a party to any contract, arrangements or understandings with any person with respect to any securities of PTEC, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (vii) no associate of any participant in this solicitation owns beneficially, directly or indirectly, any securities of PTEC; (viii) no participant in this solicitation owns beneficially, directly or indirectly, any securities of any parent or subsidiary of PTEC; (ix) no participant in this solicitation or any of his/its associates was a party to any transaction, or series of similar transactions, since the beginning of PTEC's last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which PTEC or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$60,000; (x) no participant in this solicitation or any of his/its associates has any arrangement or understanding with any person with respect to any future employment by PTEC or its affiliates, or with respect to any future transactions to which PTEC or any of its affiliates will or may be a party; and (xi) no person, including the participants in this solicitation, who is a party to an arrangement or understanding pursuant to which the Ramius Nominees are proposed to be elected has a substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted on at the Annual Meeting. OTHER MATTERS AND ADDITIONAL INFORMATION The Ramius Group is unaware of any other matters to be considered at the Annual Meeting. However, should other matters, which the Ramius Group is not aware of a reasonable time before this solicitation, be brought before the Annual Meeting, the persons named as proxies on the enclosed WHITE proxy card will vote on such matters in their discretion. THE RAMIUS GROUP HAS OMITTED FROM THIS PROXY STATEMENT CERTAIN DISCLOSURE REQUIRED BY APPLICABLE LAW THAT IS ALREADY INCLUDED IN THE COMPANY'S PROXY STATEMENT. THIS DISCLOSURE INCLUDES, AMONG OTHER THINGS, BIOGRAPHICAL INFORMATION ON PTEC'S DIRECTORS AND EXECUTIVE OFFICERS, INFORMATION CONCERNING EXECUTIVE COMPENSATION, AN ANALYSIS OF CUMULATIVE TOTAL RETURNS ON AN -18- INVESTMENT IN SHARES DURING THE PAST FIVE YEARS AND PROCEDURES FOR SUBMITTING PROPOSALS FOR INCLUSION IN THE COMPANY'S PROXY STATEMENT AT THE NEXT ANNUAL MEETING. STOCKHOLDERS SHOULD REFER TO THE COMPANY'S PROXY STATEMENT IN ORDER TO REVIEW THIS DISCLOSURE. See Schedule II for information regarding persons who beneficially own more than 5% of the Shares and the ownership of the Shares by the management of PTEC. The information concerning PTEC contained in this Proxy Statement and the Schedules attached hereto has been taken from, or is based upon, publicly available information. THE RAMIUS GROUP JANUARY 25, 2007 -19- SCHEDULE I TRANSACTIONS IN SECURITIES OF PTEC DURING THE PAST TWO YEARS EXCEPT AS OTHERWISE SPECIFIED, ALL PURCHASES AND SALES WERE MADE IN THE OPEN MARKET. Shares of Common Stock Price Per Date of PURCHASED / (SOLD) SHARE(\$)

PURCHASE / SALE DATE	SHARES	PRICE	STARBOARD VALUE	OPPORTUNITY MASTER FUND LTD.
11/16/2005	38,724	6.0617	11/18/2005	6,468
11/18/2005	6,468	5.9439	11/18/2005	21,000
11/21/2005	17,808	6.2992	11/28/2005	12,600
11/28/2005	12,600	6.2332	11/29/2005	4,200
11/29/2005	4,200	6.3506	11/30/2005	4,200
11/30/2005	4,200	6.3637	12/1/2005	117,600
12/1/2005	117,600	6.3500	12/2/2005	8,400
12/2/2005	8,400	6.3500	12/2/2005	21,000
12/2/2005	21,000	6.9092	12/12/2005	42,000
12/12/2005	42,000	5.2474	5/11/2006	42,000
5/11/2006	42,000	5.2497	5/11/2006	27,720
5/11/2006	27,720	5.2483	5/12/2006	32,172
5/12/2006	32,172	5.2292	5/12/2006	140,868
5/12/2006	140,868	5.3694	5/15/2006	33,600
5/15/2006	33,600	5.2875	5/15/2006	32,340
5/15/2006	32,340	5.2883	5/15/2006	27,048
5/15/2006	27,048	5.4610	5/16/2006	25,200
5/16/2006	25,200	5.4790	5/17/2006	22,428
5/17/2006	22,428	5.6225	5/18/2006	21,000
5/18/2006	21,000	5.8289	5/19/2006	7,896
5/19/2006	7,896	5.4995	5/22/2006	21,756
5/22/2006	21,756	5.4763	5/23/2006	29,736
5/23/2006	29,736	5.4223	5/24/2006	3,836
5/24/2006	3,836	5.5000	5/25/2006	52,248
5/25/2006	52,248	5.7617	5/30/2006	16,800
5/30/2006	16,800	5.7825	5/31/2006	7,115
5/31/2006	7,115	5.7500	5/31/2006	8,400
5/31/2006	8,400	5.7600	6/1/2006	5,325
6/1/2006	5,325	5.7500	6/1/2006	8,400
6/1/2006	8,400	5.7700	6/1/2006	I-1
6/1/2006	I-1	12,432	5.7454	6/2/2006
6/2/2006	51,820	5.7500	6/5/2006	46,200
6/5/2006	46,200	5.5806	6/5/2006	63,355
6/5/2006	63,355	5.4857	6/6/2006	7,171
6/6/2006	7,171	5.6398	6/7/2006	25,200
6/7/2006	25,200	5.5867	6/7/2006	19,271
6/7/2006	19,271	5.5876	6/8/2006	3,780
6/8/2006	3,780	5.6433	6/9/2006	25,378
6/9/2006	25,378	5.6387	6/12/2006	16,800
6/12/2006	16,800	5.6500	6/12/2006	51,912
6/12/2006	51,912	5.6846	6/13/2006	20,412
6/13/2006	20,412	5.6498	6/14/2006	12,600
6/14/2006	12,600	5.6800	6/14/2006	131,124
6/14/2006	131,124	5.7125	6/15/2006	8,400
6/15/2006	8,400	5.7416	6/19/2006	3,482
6/19/2006	3,482	5.7500	6/21/2006	16,800
6/21/2006	16,800	4.0900	6/22/2006	71,400
6/22/2006	71,400	4.0000	6/22/2006	12,600
6/22/2006	12,600	3.9500	6/23/2006	42,000
6/23/2006	42,000	3.9000	6/23/2006	51,280
6/23/2006	51,280	4.0690	6/28/2006	8,400
6/28/2006	8,400	4.1300	6/28/2006	80,002
6/28/2006	80,002	4.1430	6/29/2006	35,801
6/29/2006	35,801	4.4558	6/30/2006	189,000
6/30/2006	189,000	4.5500	6/30/2006	823,963
6/30/2006	823,963	5.1000	7/13/2006	

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PARCHE, LLC 9,870 5.7500 6/5/2006 8,800 5.5806 6/5/2006 *182,156 5.5200 6/6/2006 12,068 5.4857 6/6/2006 1,366 5.6398 6/7/2006 4,800 5.5867 6/7/2006 3,671 5.5876 6/8/2006 720 5.6433 6/9/2006 4,834 5.6387 6/12/2006 3,200 5.6500 6/12/2006 ----- * Shares were acquired in private transactions with various transferors for which Ramius Capital Group, L.L.C. or an affiliate serves as the investment manager, the managing member or the managing member of the investment manager. I-2 9,888 5.6846 6/13/2006 3,888 5.6498 6/14/2006 2,400 5.6800 6/14/2006 24,976 5.7125 6/15/2006 1,600 5.7416 6/19/2006 663 5.7500 6/21/2006 3,200 4.0900 6/22/2006 13,600 4.0000 6/22/2006 2,400 3.9500 6/23/2006 8,000 3.9000 6/23/2006 9,768 4.0690 6/28/2006 1,600 4.1300 6/28/2006 15,238 4.1430 6/29/2006 6,819 4.4558 6/30/2006 36,000 4.5500 6/30/2006 156,945 5.1000 7/13/2006 JOHN MUTCH 55,000 5.2400 5/31/2006 45,000 5.6400 6/5/2006 90,000 4.0037 6/23/2006 10,000 3.8500 6/23/2006 PHILIP MOYER NONE I-3 SCHEDULE II THE FOLLOWING TABLE IS REPRINTED FROM PTEC'S PROXY STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 23, 2007 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT The following table sets forth certain information as of January 10, 2007, with respect to the Common Stock owned beneficially by (I) any person who is known to the Company to be the beneficial owner of more than 5% of its Common Stock, (II) each director and Nominee of the Company, (III) the Chief Executive Officer and each executive officer included in the Summary Compensation Table on page 12 (collectively, the "Named Executive Officers"), (IV) Richard Arnold and Gaurav Banga, two of the Company's recently appointed executive officers who are not Named Executive Officers, and (V) all current directors and executive officers of the Company as a group. Except as otherwise indicated in the table, the address of each person listed in the table is c/o Phoenix Technologies Ltd., 915 Murphy Ranch Road, Milpitas, California 95035. Except as otherwise indicated in the footnotes to the table, to the Company's knowledge, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws where applicable. AMOUNT AND NATURE OF PERCENT OF COMMON NAME AND ADDRESS OF BENEFICIAL OWNER BENEFICIAL OWNERSHIP STOCK OUTSTANDING(1) -----

----- The Starboard Group(2) 666 Third Avenue 26th Floor New York, NY 10017 3,502,941 13.7% Austin W. Marxe & David M. Greenhouse(3) 527 Madison Avenue, Suite 2600 New York, New York 10022 3,227,776 12.6% Woodson Hobbs(4) 1,000,000 3.8% Albert E. Sisto(5) 797,282 3.0% David L. Gibbs(6) 394,577 1.5% Scott C. Taylor(7) 148,608 * Ira Scharfglass(8) 36,314 * Kort van Bronkhorst(9) 938 * Curtis Francis -- * Ramesh Kesanupalli -- * Anthony Morris(10) 148,000 * Taher Elgamal(11) 130,000 * David Dury(12) 110,000 * Richard Noling(13) 55,000 * Dale Fuller(14) 40,000 * Anthony Sun(15) 208,600 * Richard Arnold -- * Gaurav Banga 25,000 * All current directors and executive officers as a group(16) 2,259,785 8.2% ----- * Ownership is less than 1% (1) Based on 25,574,579 shares of Common Stock outstanding on January 10, 2007. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock subject to options that are exercisable within 60 days of January 10, 2007 are deemed to be outstanding. Such shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. (2) Based on information contained in a Schedule 13D/A filed on January 3, 2007 with the SEC by Starboard Value and Opportunity Master Fund Ltd. ("Starboard") and the other reporting persons named therein, and includes all shares beneficially held by the group formed by such reporting persons (the "Starboard Group"). According to the Schedule 13D/A, as of December 29, 2006, (i) Starboard had beneficial ownership and voting and dispositive control of 2,774,471 shares of the Company's Common Stock, (ii) Parche, LLC ("Parche") had beneficial ownership and voting and dispositive control of 528,470 shares of Common Stock, and (iii) (A) Admiral Advisors, LLC ("Admiral Advisors"), as the investment manager of Starboard and the managing member of Parche, (B) Ramius Capital Group, L.L.C. ("Ramius"), as the sole member of Admiral Advisors, and (C) C4S & Co., L.L.C. ("C4S"), as the managing member of Ramius, may each be deemed to have beneficial ownership and voting and dispositive control over the shares of Common Stock held by Starboard and Parche. In addition, Peter A. Cohen, Morgan B. Stark, Jeffrey M. Solomon and Thomas W. Strauss, as the managing members of C4S, may each be deemed to have beneficial ownership and share voting and dispositive control of the shares of Common Stock held by Starboard and Parche. Messrs. Cohen, Stark, Solomon and Strauss disclaim beneficial ownership of such shares. The persons and entities listed above have agreed to form a group with Mr. John Mutch, who beneficially owns and controls 200,000 shares of Common Stock, and certain other persons, for the purpose of soliciting proxies or written consents for the election of the persons nominated by Starboard to our Board at the Meeting. (3) Based on information contained in a Form 4 filed

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on September 14, 2006 with the SEC by Austin W. Marxe and David M. Greenhouse. According to the Form 4, Messrs. Marxe and Greenhouse share voting and investment control over the Common Stock owned by Special Situations Fund III QP, L.P., Special Situations Cayman Fund, L.P., Special Situations Technology Fund, L.P. and Special Situations Technology II, L.P., respectively. The interest of Messrs. Marxe and Greenhouse in these shares of Common Stock are limited to the extent of each of their pecuniary interest. Based on a Form 4 filed on January 22, 2007 with the SEC, as of January 18, 2007 Messrs. Marxe and Greenhouse had acquired beneficial ownership of an additional 125,845 shares, for total beneficial holdings of 3,353,621 shares. (4) Includes 900,000 shares as to which Mr. Hobbs has the right to acquire beneficial ownership within 60 days of January 10, 2007. (5) Includes 754,782 shares as to which Mr. Sisto has the right to acquire beneficial ownership within 60 days of January 10, 2007. (6) Includes (I) 69,230 shares owned by Mr. Gibbs in his personal capacity, (II) 4,000 shares owned by the Gibbs Trust and held jointly by David and Afina Gibbs, and (III) 321,347 shares as to which Mr. Gibbs has the right to acquire beneficial ownership within 60 days of January 10, 2007. (7) Includes 57,156 shares as to which Mr. Taylor has the right to acquire beneficial ownership within 60 days of January 10, 2007. (8) Consists of 36,314 shares as to which Mr. Scharfglass has the right to acquire beneficial ownership within 60 days of January 10, 2007. (9) Consists of 938 shares as to which Mr. Bronkhorst has the right to acquire beneficial ownership within 60 days of January 10, 2007. (10) Consists of (I) 17,000 shares owned by Mr. Morris, (II) 5,000 shares held in a custodial account by his spouse for his minor daughters, and (III) 126,000 shares as to which Mr. Morris could acquire beneficial ownership at or within 60 days after January 10, 2007. (11) Consists of 130,000 shares as to which Dr. Elgamal has the right to acquire beneficial ownership within 60 days of January 10, 2007. (12) Consists of 110,000 shares as to which Mr. Dury has the right to acquire beneficial ownership within 60 days of January 10, 2007. (13) Consists of 55,000 shares as to which Mr. Noling has the right to acquire beneficial ownership within 60 days of January 10, 2007. (14) Consists of 40,000 shares as to which Mr. Fuller has the right to acquire beneficial ownership within 60 days of January 10, 2007. (15) Includes 175,625 shares as to which Mr. Sun has the right to acquire beneficial ownership within 60 days of January 10, 2007. (16) Includes (I) 344,657 shares and (II) 1,915,128 shares underlying options exercisable within 60 days of January 10, 2007, held by the Company's current directors and executive officers. The holdings of Drs. Elgamal and Banga and Messrs. Hobbs, Gibbs, Taylor, Morris, Dury, Noling, Fuller, Sun and Arnold are included in the calculation. The holdings of Messrs. Sisto, Scharfglass, van Bronkhorst, Francis and Kesanupalli are excluded from the calculation. **IMPORTANT** Tell your Board what you think! Your vote is important. No matter how many Shares you own, please give the Ramius Group your proxy FOR the election of the Ramius Group's Director Nominees by taking three steps: o SIGNING the enclosed WHITE proxy card, o DATING the enclosed WHITE proxy card, and o MAILING the enclosed WHITE proxy card TODAY in the envelope provided (no postage is required if mailed in the United States). If any of your Shares are held in the name of a brokerage firm, bank, bank nominee or other institution, only it can vote such Shares and only upon receipt of your specific instructions. Accordingly, please contact the person responsible for your account and instruct that person to execute the WHITE proxy card representing your Shares. The Ramius Group urges you to confirm in writing your instructions to the Ramius Group in care of Innisfree M&A Incorporated at the address provided below so that the Ramius Group will be aware of all instructions given and can attempt to ensure that such instructions are followed. If you have any questions or require any additional information concerning this Proxy Statement, please contact Innisfree M&A Incorporated at the address set forth below. Innisfree M&A Incorporated 501 Madison Avenue, 20th Floor New York, NY 10022 Stockholders Call Toll-Free at: (877) 800-5185 Banks and Brokers Call Collect at: (212) 750-5833 **PRELIMINARY COPY SUBJECT TO COMPLETION DATED JANUARY 23, 2007 PHOENIX TECHNOLOGIES LTD. 2007 ANNUAL MEETING OF STOCKHOLDERS THIS PROXY IS SOLICITED ON BEHALF OF THE RAMIUS GROUP THE BOARD OF DIRECTORS OF PHOENIX TECHNOLOGIES LTD. IS NOT SOLICITING THIS PROXY P R O X Y** The undersigned appoints Jeffrey C. Smith, Jeffrey M. Solomon and Mark R. Mitchell, and each of them, attorneys and agents with full power of substitution to vote all shares of common stock of Phoenix Technologies Ltd. ("PTEC" or the "Company") which the undersigned would be entitled to vote if personally present at the 2007 Annual Meeting of Stockholders of the Company scheduled to be held at the Company's offices located at 915 Murphy Ranch Road, Milpitas, California, 95035, on February 14, 2007 at 10:00 a.m., Pacific Standard Time, and including at any adjournments or postponements thereof and at any meeting called in lieu thereof (the "Annual Meeting"). The undersigned hereby revokes any other proxy or proxies heretofore given to vote or act with respect to the shares of common stock of the Company held by the undersigned, and hereby ratifies and confirms all action the

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herein named attorneys and proxies, their substitutes, or any of them may lawfully take by virtue hereof. If properly executed, this Proxy will be voted as directed on the reverse and in the discretion of the herein named attorneys and proxies or their substitutes with respect to any other matters as may properly come before the Annual Meeting that are unknown to the Ramius Group a reasonable time before this solicitation. IF NO DIRECTION IS INDICATED WITH RESPECT TO THE PROPOSALS ON THE REVERSE, THIS PROXY WILL BE VOTED FOR PROPOSAL 1 AND PROPOSAL 2. This Proxy will be valid until the sooner of one year from the date indicated on the reverse side and the completion of the Annual Meeting. IMPORTANT: PLEASE SIGN, DATE AND MAIL THIS PROXY CARD PROMPTLY! CONTINUED AND TO BE SIGNED ON REVERSE SIDE [X] PLEASE MARK VOTE AS IN THIS EXAMPLE THE RAMIUS GROUP STRONGLY RECOMMENDS THAT STOCKHOLDERS VOTE IN FAVOR OF THE FOLLOWING PROPOSAL. Proposal No. 1 - The Ramius Group's Proposal to Elect John Mutch and Philip Moyer Class II directors of the Company. FOR ALL EXCEPT WITHHOLD AUTHORITY NOMINEE(S) TO VOTE FOR WRITTEN FOR ALL NOMINEES ALL NOMINEES BELOW Nominees: John Mutch [] [] [] Philip Moyer _____ Proposal No. 2 - To ratify the appointment of Ernst & Young LLP as independent auditors for the fiscal year 2007. FOR AGAINST ABSTAIN THE RAMIUS GROUP MAKES NO RECOMMENDATION ON PROPOSAL NO. 2 DATED: _____

_____ (Signature) _____ (Signature, if held jointly) _____ (Title) WHEN SHARES ARE HELD JOINTLY, JOINT OWNERS SHOULD EACH SIGN. EXECUTORS, ADMINISTRATORS, TRUSTEES, ETC., SHOULD INDICATE THE CAPACITY IN WHICH SIGNING. PLEASE SIGN EXACTLY AS NAME APPEARS ON THIS PROXY.