

PHOENIX TECHNOLOGIES LTD  
 Form 4  
 September 14, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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**STATEMENT OF CHANGES IN 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 \*  
 MARXE AUSTIN W &  
 GREENHOUSE DAVID M

(Last) (First) (Middle)

C/O SPECIAL SITUATIONS  
 FUNDS, 527 MADISON AVENUE,  
 SUITE 2600

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 PHOENIX TECHNOLOGIES LTD  
 [PTEC]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 09/07/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|--|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |  |  |
| Common Stock                    | 09/07/2006                           |  | P                              | 7,700   | A \$ 5  | 3,166,627  | I  | By Limited Partnerships                |
| Common Stock                    | 09/07/2006                           |  | P                              | 60,749  | A \$ 5.0396   | 3,227,376  | I  | By Limited Partnerships                |
| Common Stock                    | 09/08/2006                           |  | P                              | 200   | A \$ 5  | 3,227,576  | I  | By Limited Partnerships                |
| Common Stock                    | 09/12/2006                           |  | P                              | 200 <sup>(1)</sup>  | A \$ 5.03   | 3,227,776 <sup>(1)</sup>                                 | I <sup>(1)</sup>                           | By Limited Partnerships <sup>(1)</sup> |

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

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SEC 1474 (9-02)

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

Table with 10 columns: 1. Title of Derivative Security (Instr. 3), 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date (Month/Day/Year), 3A. Deemed Execution Date, if any (Month/Day/Year), 4. Transaction Code (Instr. 8), 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5), 6. Date Exercisable and Expiration Date (Month/Day/Year), 7. Title and Amount of Underlying Securities (Instr. 3 and 4), 8. Price of Derivative Security (Instr. 5), 9. Number of Derivative Securities Beneficially Owned Following Reporting Transaction (Instr. 3).

Reporting Owners

Table with 2 columns: Reporting Owner Name / Address, Relationships (Director, 10% Owner, Officer, Other). Entry for MARXE AUSTIN W & GREENHOUSE DAVID M, C/O SPECIAL SITUATIONS FUNDS, 527 MADISON AVENUE, SUITE 2600, NEW YORK, NY 10022, with 'X' in the 10% Owner relationship column.

Signatures

Austin W. Marxe, 09/14/2006, \*\*Signature of Reporting Person, Date

David M. Greenhouse, 09/14/2006, \*\*Signature of Reporting Person, Date

Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(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).
(1) This is a joint filing by Austin W. Marxe (Marxe) and David M. Greenhouse (Greenhouse). They share voting and investment control over all securities owned by Special Situations Fund III QP, L.P. (QP), Special Situations Cayman Fund, L.P. (Cayman), Special Situations Technology Fund, L.P. (Tech) and Special Situations Technology II, L.P. (Tech II), respectively. 1,232,096 shares of Common

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Stock are held by QP, 222,399 shares of Common Stock are held by Cayman, 259,999 shares of Common Stock are held by Tech and 1,513,282 shares of Common Stock are held by Tech II. The interest of Marx and Greenhouse in the shares of Common Stock owned by QP, Cayman, Tech and Tech II is limited to the extent of his pecuniary interest.

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.