

## **Phoenix Tech CEO Buys Shares of Firm Proxy Battle Looms With Dissident Over Board Seats**

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Phoenix Technologies Ltd. Chief Executive Woodson Hobbs made his first purchase of Phoenix stock last week even though a proxy fight with the company's largest shareholder is pending. He said he isn't very concerned about the outcome.

Mr. Hobbs bought \$456,000 of his company's shares even as the Milpitas, Calif., software maker prepares for a contested board election. Ramius Capital Group LLC, which owns about 13.7% of the company's stock, is seeking to place two representatives on the company's board in a vote scheduled for the annual meeting Feb. 14.

Mr. Hobbs described the current proxy fight as "not that big of a deal," but said he would prefer for the company's nominees to be re-elected. He noted, however, that if Ramius is successful it will gain only two seats on Phoenix's six-member board.

Stock ownership has become a contentious issue in the dispute between Phoenix and Ramius, a New York hedge fund, as the dissident shareholder has sharply criticized the company's two incumbent nominees for not owning company shares.

According to a filing with the Securities and Exchange Commission, Mr. Hobbs bought a total of 80,000 Phoenix Technologies shares for \$5.70 apiece. Mr. Hobbs bought 60,000 of the shares for a trust in favor of his children and the remaining 20,000 shares for an individual retirement account in his name, according to the filing.

Mr. Hobbs, who bought his shares Jan. 29, said his own stock purchase wasn't intended as a signal to shareholders ahead of the vote, but was motivated by his belief in the company. Mr. Hobbs, who became CEO in September, said he had been prevented from buying stock earlier.

Ramius, an investment adviser, started investing in Phoenix in November 2005 and began criticizing the company's performance in June. A Ramius affiliate made several offers to buy the company, with its last offer -- since withdrawn -- at \$5.25 a share. In 4 p.m. Nasdaq Stock Market composite trading yesterday, Phoenix shares were up four cents to \$6.89.

"We are pleased that the CEO would align his interests with shareholders by purchasing stock beyond what was granted to him under his employment contract," said Ramius spokesman Dan Gagnier in an emailed statement.

Mr. Hobbs, who has overseen a 35% rise in stock value since his appointment and has been spared criticism from Ramius, said the company has no stock-ownership requirement for its executives and directors.