

PHOENIX TECHNOLOGIES LTD
Form 8-K
April 14, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

April 7, 2010

Phoenix Technologies Ltd.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-17111

(Commission
File Number)

04-2685985

(I.R.S. Employer
Identification No.)

915 Murphy Ranch Road, Milpitas, California

(Address of principal executive offices)

95035

(Zip Code)

Registrant's telephone number, including area code:

408-570-1000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On April 7, 2010, Phoenix Technologies Ltd., a Delaware corporation (the "Company"), entered into an Asset Purchase Agreement ("Asset Purchase Agreement") with Absolute Software Corporation, a British Columbia corporation ("Absolute Software"), pursuant to which Absolute Software acquired all of the Company's rights, title and interests in certain intellectual property and other related assets of the Company's FailSafe and Phoenix Freeze products and services (the "Purchased Assets") for a purchase price of \$6,875,000 in cash. The Company also granted Absolute Software licenses for certain intellectual property excluded from the Purchased Assets in order for Absolute Software to use FailSafe, Phoenix Freeze and other products and services. The Asset Purchase Agreement contains customary representations and warranties by the Company and Absolute Software. It also includes a non-competition provision under which the Company agreed not to engage in certain competitive activities relating to the Purchased Assets for a specified period following the execution of the Asset Purchase Agreement. The closing was completed on April 7, 2010.

On April 7, 2010, the Company issued a press release describing this transaction. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K.

The foregoing summary is qualified in its entirety by reference to the Asset Purchase Agreement, a copy of which will be filed as an exhibit to the Company's Form 10-Q for the quarterly period ending June 30, 2010.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On April 8, 2010, Company management approved a restructuring plan in connection with the sale of the intellectual property and other related assets of the Company's FailSafe and Phoenix Freeze products and services to Absolute Software Corporation on April 7, 2010. The Company expects to record a restructuring charge in the aggregate amount of approximately \$0.5 million in the third quarter of fiscal year 2010, all of which represents cash expenditures. It is estimated that the actions under this restructuring plan will be completed within the next twelve weeks.

The actions under this restructuring will involve terminating approximately 32 employees and vacating one of the Company's Bangalore, India facilities. The estimated restructuring charges will consist of approximately (i) \$290,000 related to severance costs; and (ii) \$210,000 related to ongoing lease obligations related to the applicable Bangalore facility.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Company announced the resignation of Mr. Gaurav Banga, Chief Technology Officer and Senior Vice President, Products, effective April 20, 2010.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Phoenix Technologies Ltd.

April 13, 2010

By: */s/ Timothy C. Chu*

Name: Timothy C. Chu

Title: VP, General Counsel and Secretary

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Exhibit Index

Exhibit No.	Description
99.1	Press release dated April 7, 2010.