

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>STEEL PARTNERS HOLDINGS L.P.</u>  (Last) (First) (Middle) 590 MADISON AVENUE, 32ND FLOOR  (Street) NEW YORK NY 10022  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>COSINE COMMUNICATIONS INC [ COSN.PK ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director <input checked="" type="checkbox"/> 10% Owner  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 07/14/2009	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, \$.0001 Par Value	07/14/2009		P		2,631,384	A	\$1.6	2,631,384	D <sup>(1)(2)</sup>	

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

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)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)					

1. Name and Address of Reporting Person\*  
STEEL PARTNERS HOLDINGS L.P.  
 (Last) (First) (Middle)  
 590 MADISON AVENUE, 32ND FLOOR  
 (Street)  
 NEW YORK NY 10022  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
Steel Partners LLC  
 (Last) (First) (Middle)  
 C/O STEEL PARTNERS HOLDINGS L.P.  
 590 MADISON AVENUE, 32ND FLOOR  
 (Street)  
 NEW YORK NY 10022  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
STEEL PARTNERS II GP LLC  
 (Last) (First) (Middle)  
 C/O STEEL PARTNERS HOLDINGS L.P.  
 590 MADISON AVENUE, 32ND FLOOR

(Street)		
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<a href="#">LICHTENSTEIN WARREN G</a>		
(Last)	(First)	(Middle)
<a href="#">C/O STEEL PARTNERS HOLDINGS L.P.</a>		
<a href="#">590 MADISON AVENUE, 32ND FLOOR</a>		
(Street)		
<a href="#">NEW YORK</a>	<a href="#">NY</a>	<a href="#">10022</a>
(City)		
(City)	(State)	(Zip)

**Explanation of Responses:**

1. This Form 4 is filed jointly by Steel Partners Holdings L.P. (formerly known as WebFinancial L.P.) ("Steel Holdings"), Steel Partners LLC ("Partners LLC"), Steel Partners II GP LLC ("Steel Partners GP") and Warren G. Lichtenstein. Partners LLC, Steel Partners GP and Mr. Lichtenstein may be deemed to be 10% owners of the Issuer and Steel Holdings is a 10% owner of the Issuer.
2. The securities reported in this Form 4 are owned directly by Steel Holdings, and owned indirectly by Partners LLC by virtue of it being the manager of Steel Holdings, by Steel Partners GP by virtue of it being the general partner of Steel Holdings and by Mr. Lichtenstein by virtue of his position as the manager of Partners LLC and the managing member of Steel Partners GP. Partners LLC, Steel Partners GP and Mr. Lichtenstein disclaim beneficial ownership of the shares owned by Steel Holdings except to the extent of their pecuniary interest therein. This Form 4 reports the acquisition by Steel Holdings of all the shares of common stock of the Issuer owned by Steel Partners II, L.P., an affiliate of Steel Holdings.

**Remarks:**

[By: Steel Partners Holdings L.P., By: Steel Partners II GP LLC, General Partner, By: /s/ Sanford Antignas as Attorney- In-Fact for Warren G. Lichtenstein, Managing Member](#) [07/16/2009](#)

[By: Steel Partners LLC, By: /s/ Sanford Antignas, as Attorney In Fact for Warren G. Lichtenstein, Manager](#) [07/16/2009](#)

[By: Steel Partners II GP LLC, By: /s/ Sanford Antignas, as Attorney In Fact for Warren G. Lichtenstein, Managing Member](#) [07/16/2009](#)

[By: By: /s/ Sanford Antignas, as Attorney In Fact for Warren G. Lichtenstein](#) [07/16/2009](#)

\*\* Signature of Reporting Person      Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**