

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 II LP</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 More than One Reporting Person <input type="checkbox"/> Form filed by 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		S		2,631,384	D	\$1.6	0	D ⁽¹⁾⁽²⁾	

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)	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 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)
						Date Exercisable	Expiration Date					

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

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

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

Explanation of Responses:

1. This Form 4 is filed jointly by Steel Partners II, L.P. ("Steel Partners II"), Steel Partners Holdings L.P. (formerly known as WebFinancial L.P.) ("Steel Holdings"), Steel Partners LLC, Steel Partners II GP LLC and Warren G. Lichtenstein.
2. This Form 4 reports the transfer by Steel Partners II of all its shares of common stock of the Issuer to Steel Holdings, an affiliate of Steel Partners II. Accordingly, Steel Partners II is no longer subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended, with respect to securities of the Issuer.

Remarks:

By: Steel Partners II, L.P., By: Steel Partners II GP LLC, General Partner, By: /s/ Sanford Antignas, as Attorney. 07/16/2009 in Fact for Warren G. Lichtenstein, Managing Member

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

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

** 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.