

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) <u>590 MADISON AVENUE, 32ND FLOOR</u> (Street) <u>NEW YORK NY 10022</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>COSINE COMMUNICATIONS INC [</u> <u>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) <u>07/31/2009</u> | |
| | 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 | 07/31/2009 | | P | | 1,898,337 | A | \$1.64 | 1,898,337 | I ⁽¹⁾⁽²⁾ | By Steel Partners II, L.P |
| Common Stock, \$.0001 Par Value | | | | | | | | 2,631,384 | D ⁽¹⁾⁽³⁾ | |

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 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*

LICHTENSTEIN WARREN G

(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 LP

(Last) (First) (Middle)

C/O STEEL PARTNERS HOLDINGS 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 Holdings L.P. ("Steel Holdings"), Steel Partners II, L.P. ("Steel Partners II"), 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. Steel Holdings and Steel Partners II are 10% owners of the Issuer.
2. Shares owned directly by Steel Partners II, and owned indirectly by Steel Holdings by virtue of it being the sole limited partner of Steel Partners II, by Partners LLC by virtue of it being the manager of Steel Partners II and Steel Holdings, by Steel Partners GP by virtue of it being the general partner of Steel Partners II and 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. Steel Holdings, Partners LLC, Steel Partners GP and Mr. Lichtenstein disclaim beneficial ownership of the shares owned by Steel Partners II except to the extent of their pecuniary interest therein.
3. Shares 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.

Remarks:

By: Steel Partners Holdings
L.P., By: Steel Partners II GP
LLC, General Partner, By: /s/
Sanford Antignas as Attorney- 08/03/2009
In-Fact for Warren G.
Lichtenstein, Managing
Member
By: Steel Partners LLC, By: /s/
Sanford Antignas, as Attorney. 08/03/2009
In Fact for Warren G.
Lichtenstein, Manager
By: Steel Partners II GP LLC,
By: /s/ Sanford Antignas, as
Attorney In Fact for Warren G. 08/03/2009
Lichtenstein, Managing
Member
By: By: /s/ Sanford Antignas,
as Attorney In Fact for Warren 08/03/2009
G. Lichtenstein
By: Steel Partners II, L.P., By:
Steel Partners II GP LLC,
General Partner, By: /s/
Sanford Antignas, as Attorney. 08/03/2009
in Fact for Warren G.
Lichtenstein, Managing
Member

** 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.