

ION NETWORKS INC
Form 4
January 04, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MARXE AUSTIN W &
GREENHOUSE DAVID M

(Last) (First) (Middle)

C/O SPECIAL SITUATIONS
FUNDS, 527 MADISON AVENUE,
SUITE 2600

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ION NETWORKS INC [IONN]

3. Date of Earliest Transaction
(Month/Day/Year)
12/31/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ 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	12/31/2005		P		35,000 ⁽¹⁾ <u>(2)</u>	A	\$ 0.15 <u>(1) (2)</u>	3,325,247 <u>(1) (2)</u>	I <u>(1) (2)</u>	By Limited Partnerships <u>(1) (2)</u>
Common Stock	12/31/2005		J ⁽¹⁾⁽²⁾		3,401,250 <u>(1) (2)</u>	A	\$ 0 <u>(1) (2)</u>	6,726,597 <u>(1) (2)</u>	I <u>(1) (2)</u>	By Limited Partnerships <u>(1) (2)</u>

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

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- (2) Pursuant to that certain Exchange Tender Offer described in the Schedule TO-I of Special Situations Fund III, L.P. (SSF III), as filed by SSF III with the Securities and Exchange Commission on November 17, 2005, SSF III transferred the securities included in this Form 4 to QP on December 31, 2005. The interest of each of Marx and Greenhouse in the shares of Common Stock owned by Cayman, PE, Tech, Tech II and QP is limited to the extent of his pecuniary interest.

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

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