

ION NETWORKS INC  
Form 4  
January 17, 2006

**FORM 4**

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

OMB APPROVAL

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

**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)  
01/12/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director  10% Owner  
\_\_\_\_ Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock                    | 01/12/2006                           |  | P                              | 9,600 (1) A \$ 0.17   | 9,970,461 (1) I (1)   | I (1)  | By Limited Partnerships (1)                           |

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

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SEC 1474 (9-02)

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

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| 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 Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Nu |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|-------|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|-------|

**Reporting Owners**

| Reporting Owner Name / Address  | Relationships |           |         |       | Amount or Number of Shares |
|---|---------------|-----------|---------|-------|----------------------------|
|   | Director      | 10% Owner | Officer | Other |                            |
| MARXE AUSTIN W & GREENHOUSE DAVID M<br>C/O SPECIAL SITUATIONS FUNDS<br>527 MADISON AVENUE, SUITE 2600<br>NEW YORK, NY 10022 |               |           |         | X     |                            |

**Signatures**

Austin W.  
Marxe   01/17/2006  
  
 \*\*Signature of   Date  
 Reporting Person

David M.  
Greenhouse                                    01/17/2006  
  
 \*\*Signature of   Date  
 Reporting Person

**Explanation of Responses:**

\* 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).

(1) This is a joint filing by Austin W. Marxe (Marxe) and David M. Greenhouse (Greenhouse). They share voting and investment control over all securities owned by Special Situations Fund III QP, L.P. (QP), Special Situations Cayman Fund, L.P. (Cayman), Special Situations Private Equity Fund, LP (PE), Special Situations Technology Fund, L.P. (Tech) and Special Situations Technology Fund II, L.P. (Tech II), respectively. 3,418,950 shares of Common Stock and 1,593,940 Wts are held by QP, 1,311,647 shares of Common Stock and 604,324 Wts are held by Cayman, 1,404,753 shares of Common Stock and 666,476 Wts are held by PE, 101,921 shares of Common Stock and 50,780 Wts are held by Tech and 547,026 shares of Common Stock and 270,644 Wts are held by Tech II. The interest of Marxe and Greenhouse in the shares of Common Stock owned by QP, Cayman, PE, Tech and Tech II 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.