

Phoenix Companies Inc (PNX) - 13D

Friday, July 11, 2008

1:57 PM (EST)

13D Filing

Transactions in Past 60 Days

Total Holdings

Filer/Purchaser	Date of Filing	Dates of Purchase/Sale	Shares Purchased/(Sold)	Share Price/Range	Shares	Average Price	% of TSO
Third Point, LLC	7/11/2008	05/12/08 - 07/11/08	3,350,000	\$7.55 - \$10.60	7,750,000	\$10.20	6.80%

Item 4 Summary	In a recent telephone conversation, TP informed Dona Young, Chairman and CEO of the Company, that they support neither her nor the current direction set by the Company's Board. Specifically, TP does not intend to support Ms. Young's re-election to the Board (scheduled for 2010), nor will they support any director who approves, regardless of the terms, the renewal of Ms. Young's employment agreement, which expires December 31, 2008. TP believes that the Board should hold Ms. Young accountable for the Company's underperformance and seek new leadership. TP believes that the Company's performance since its demutualization, as well as Ms. Young's performance as Chair of the Risk Committee of Wachovia Corp. (including during 2006 - the year Wachovia acquired Golden West Financial), is sufficient to cast significant doubt on her ability to lead the Company in this environment. Furthermore, TP also believes that, in addition to the necessary change at the Chairman and CEO position, it would be in the best interests of the Company's shareholders and policyholders if the Company's operations were combined with those of another insurance company in a transaction that recognized the substantial embedded enterprise value of the Company. TP would support the re-election of any Board members who share this view.
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About the Filer	The Filer manages approximately \$3.25 billion in 13F reportable holdings and has a total of 81 positions as of its most recent 13F filing. The Filer has made 37 significant 13D filings in its recent history and has taken Item 4 action in 22 of those filings.
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Similar Activist	In 13D filings Ligand Pharmaceuticals (2005), NABI Biopharmaceuticals (2006) and PDL Biopharma (2007), Third Point tenaciously and vocally spoke out against the performance of the CEOs and in each case, successfully forced the CEOs into early retirement.
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13D Comment	Third Point is a very successful and tenacious activist investor who has had repeated success in ousting ineffective CEOs (see above). Oliver Press Partners ("OPP") is another successful activist investor with a large position in this Company and who recently received a Board seat in settlement of a proxy fight. Third Avenue Management, also a large stockholder, is not an activist investor, but likely to support TP. They were both critical 13D filers on Pogo Producing Co., where they both ultimately supported the merger of the Company into Plains Exploration and Production Co. OPP's standstill agreement expires in December of this year and the CEO's contract expires at the end of the year. A significant portion of the stockholder base agrees with Third Point's view that the Board needs to either sell the Company or hire a new CEO. The bottom line is that by 2009, either the Company will be sold or it will have a new CEO, and since Dona Young, the Company's CEO, has a retirement and change in control package that pays her as much as \$48.9 million (\$27 million of which is change-in-control payments), she will be greatly incentivized to sell the Company before the end of the year.
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Relative Size of Investment: 2.0% of the Filer's total 13F holdings; 163.8% of the size of its average investment; and 18.4% of the size of its largest investment.

Proxy Timeline

Last Annual Meeting: May 2, 2008

Next Annual Meeting: tbd

Shareholder Proposal Notification Deadlines: For proposals to be included in the Company's proxy statement at the 2009 Annual Meeting or for director nominations: November 1, 2008; For proposals not to be included in the Company's proxy statement: between January 2 and January 30, 2009.

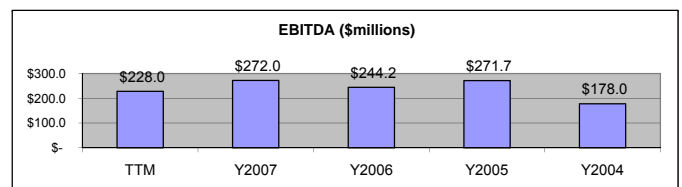
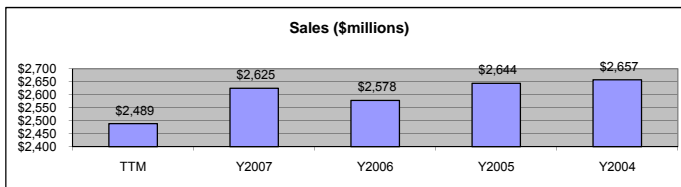
Business Overview

- Phoenix Companies provides life insurance, annuity and investment services. The Company operates through two segments. The Life and Annuity segment offers a variety of life insurance and annuity products through third-party distributors, and the life insurance product includes variable universal life, universal life, term life and other insurance products. It also offers single life, first-to-die and second-to-die products. The Asset Management segment provides services through two customer groups--retail investors and institutional clients. It provides asset management services to retail customers through open-end mutual funds, closed-end funds and managed accounts. Managed accounts include intermediary programs sponsored and distributed by non-affiliated broker-dealers and direct managed accounts which are sold and administered by the Company. It also provide transfer agency, accounting and administrative services to the Company's open-end mutual funds.
- State of Incorporation: DE; Principal Place of Business: Hartford, Connecticut.

Material Factors

- Board Composition:** The Company has a 15 person, three class, staggered Board with five directors up for election each year and serving three year terms. The Board and executive officers own 1.1% of the outstanding common stock of the Company (excluding shares deemed to be owned by Gus Oliver in his capacity as managing member of Oliver Press), 77.3% of which are subject to stock options or are restricted stock units.
- Material Change in Control Agreements:** The Company has change of control agreements with certain employees providing for, among other things, the accelerated vesting of stock options and payments of up to three times their annual cash compensation if the employee is terminated (other than for cause) or resigns with good reason during time periods ranging between 180 days prior to and two years following, a change of control.
- Shareholder Rights Plan:** None
- Top Ten Institutional Holders:** Toscafund Asset Management, L.L.P.: 10,583,818 shares (9.25%); Third Point, L.L.C.: 4,400,000 shares (3.85%); Morgan Stanley Investment Management Inc. (US): 6,478,460 shares (5.66%); Dimensional Fund Advisors, LP: 6,002,551 shares (5.25%); State Farm Insurance Companies: 5,881,918 shares (5.14%); Oliver Press Partners, L.L.C.: 5,688,206 shares (4.97%); Barclays Global Investors, N.A.: 4,696,046 shares (4.1%); Keeley Asset Management Corp.: 4,248,242 shares (3.71%); Third Avenue Management LLC: 3,983,978 shares (3.48%); Vanguard Group, Inc.: 3,191,109 shares (2.79%).

Sales and EBITDA

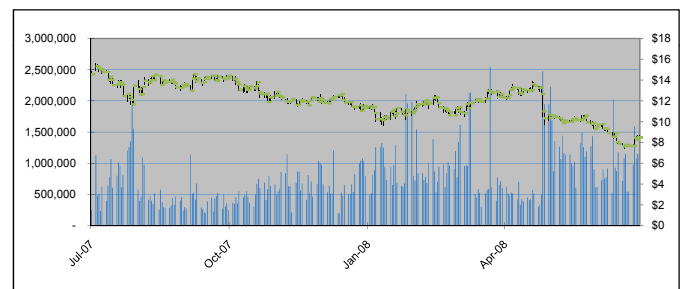


Summary Financial Information

Equity Market Cap	\$970.11M
Enterprise Value	\$1.08B
EBITDA (LTM Ending 03/31/2008)	\$228.00M
EV/EBITDA	4.74 x

Stock Price Performance

Stock Price	\$8.48
52 Week High (Date)	\$15.63 (07/16/07)
52 Week Low (Date)	\$7.37 (07/01/08)
Average Trading Volume	1,147,890
Average Trading Value	\$9,722,628



Stock Price @ 07-12-07	\$14.83	Stock Price @ 07-12-05	\$12.31	Stock Price @ 07-12-03	\$10.00
One Year Return	-43.49%	Three Year Return	-31.93%	Five Year Return	-16.20%