LENIHAN LAWRENCE D JR

Form 4

December 19, 2005

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per response...

OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person *

PEQUOT CAPITAL MANAGEMENT INC

> (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol

SABA SOFTWARE INC [SABA]

Issuer

500 NYALA FARM ROAD

3. Date of Earliest Transaction

(Month/Day/Year) 12/15/2005

Director Officer (give title 10% Owner

below)

X Other (specify below)

See Footnote 1

6. Individual or Joint/Group Filing(Check

(Check all applicable)

5. Relationship of Reporting Person(s) to

(Street)

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

Applicable Line) Form filed by One Reporting Person

WESTPORT, CT 06880

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

X_ Form filed by More than One Reporting Person

(City)

1. Title of

Security

(Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

(State)

Execution Date, if

(Month/Day/Year)

(Zip)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4) (Instr. 4)

Reported (A)

Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of 3. Transaction Date 3A. Deemed 4. 5. Number 6. Date Exercisable and Expiration 7. Title and A Derivative Conversion (Month/Day/Year) Execution Date, if Transaction Derivative Date Underlying S Securities Security or Exercise Code (Month/Day/Year) (Instr. 3 and 4 any

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired Derivative (A) or Disposed of Security (D) (Instr. 3, 4, and 5)

> Code V (A) (D) Date Exercisable Expiration Date

Stock Option (Right-to-buy)

\$4.16 12/15/2005

5.000 Α (2)(3)

12/15/2005(3) 12/15/2011(3)

Common Stock

Reporting Owners

Relationships Reporting Owner Name / Address

> 10% Owner Officer Other Director

PEOUOT CAPITAL MANAGEMENT INC

500 NYALA FARM ROAD

Footnote 1

See

WESTPORT, CT 06880

LENIHAN LAWRENCE D JR

500 NYALA FARM ROAD

WESTPORT, CT 06880

Signatures

Aryeh Davis, GC & COO, Pequot Capital

12/19/2005

Management, Inc.

**Signature of Reporting Person

Date

Lawrence D. Lenihan, Jr., Director (1)

12/19/2005

**Signature of Reporting Person

Date

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).

X

Pequot Capital Management, Inc. (Pequot) is an investment advisor registered under Section 203 of the Investment Advisers Act of 1940 and has voting and investment power with respect to securities in its clients accounts. Pequot disclaims any obligation to file this report,

- (1) and this report shall not be deemed an admission that Pequot is subject to Section 16 with respect to the Issuer of such securities. Lawrence D. Lenihan, Jr. is an employee of Pequot and serves on the Board of Directors of the Issuer and disclaims beneficial ownership of these securities except to the extent of his pecuniary interest.
- Pequot disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that Pequot is, for the purposes of Section 16 of the Exchange Act or otherwise, the beneficial owner of such securities.

Lawrence D. Lenihan, Jr. received an option to purchase 5,000 shares of Common Stock of the Issuer (the Option) as compensation for (3) his service as a director on the Board of Directors of the Issuer. The Option is immediately vested and is exercisable into Common Stock at an exercise price of \$4.16 per share. The expiration of the Option is December 15, 2011.

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.

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