

WILLIAMS PETER E III  
Form 4  
March 12, 2009

**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 \*  
WILLIAMS PETER E III

2. Issuer Name and Ticker or Trading Symbol  
SABA SOFTWARE INC [SABA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
2400 BRIDGE PARKWAY  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/10/2009

\_\_\_\_ Director  
 Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
Exec VP Corporate Development

REDWOOD  
SHORES, CA 94065-1166

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

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)**

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Security |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|--|

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| Security (Instr. 3)         | or Exercise Price of Derivative Security | any (Month/Day/Year)      | Code (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |         | (Month/Day/Year) |            | (Instr. 3 and 4) |                 |       |
|-----------------------------|--|---------------------------|-----------------|--|---------|------------------|------------|------------------|-----------------|-------|
|                             |  |                           |                 | Code   | V       | (A)              | (D)        | Date Exercisable | Expiration Date | Title |
| Stock Option (Right to Buy) | \$ 3.63                                  | 03/10/2009 <sup>(1)</sup> | D               |  | 100,000 |                  | <u>(1)</u> | 10/31/2009       | Common Stock    | 10    |
| Stock Option (Right to Buy) | \$ 3.63                                  | 03/10/2009 <sup>(1)</sup> | A               |  | 100,000 |                  | <u>(1)</u> | 10/31/2013       | Common Stock    | 10    |
| Stock Option (Right to Buy) | \$ 4.93                                  | 03/10/2009 <sup>(2)</sup> | D               |  | 40,000  |                  | <u>(2)</u> | 01/27/2012       | Common Stock    | 40    |
| Stock Option (Right to Buy) | \$ 4.93                                  | 03/10/2009 <sup>(2)</sup> | A               |  | 40,000  |                  | <u>(2)</u> | 01/27/2016       | Common Stock    | 40    |
| Stock Option (Right to Buy) | \$ 6.4                                   | 03/10/2009 <sup>(3)</sup> | D               |  | 100,000 |                  | <u>(3)</u> | 06/28/2012       | Common Stock    | 10    |
| Stock Option (Right to Buy) | \$ 6.4                                   | 03/10/2009 <sup>(3)</sup> | A               |  | 100,000 |                  | <u>(3)</u> | 06/28/2016       | Common Stock    | 10    |
| Stock Option (Right to Buy) | \$ 4.53                                  | 03/10/2009 <sup>(4)</sup> | D               |  | 35,000  |                  | <u>(4)</u> | 01/11/2014       | Common Stock    | 35    |
| Stock Option (Right to Buy) | \$ 4.53                                  | 03/10/2009 <sup>(4)</sup> | A               |  | 35,000  |                  | <u>(4)</u> | 01/11/2018       | Common Stock    | 35    |

## Reporting Owners

| Reporting Owner Name / Address              | Relationships |           |                               |       |
|---|---------------|-----------|-------------------------------|-------|
|   | Director      | 10% Owner | Officer                       | Other |
| WILLIAMS PETER E III<br>2400 BRIDGE PARKWAY |               |           | Exec VP Corporate Development |       |

REDWOOD SHORES, CA 94065-1166

## Signatures

Peter E.  
Williams III

03/10/2009

\_\_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).

(1) The two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on 10/31/2003 and provides for vesting periodically over a period of four years. The amendment consists solely of changing the term from six to ten years.

(2) The two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on 1/27/2006 and provides for vesting periodically over a period of four years. The amendment consists solely of changing the term from six to ten years.

(3) The two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on 6/28/2006 and provides for vesting periodically over a period of four years. The amendment consists solely of changing the term from six to ten years.

(4) The two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on 1/11/2008 and provides for vesting periodically over a period of four years. The amendment consists solely of changing the term from six to ten years.

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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