

LENIHAN LAWRENCE D JR
 Form 4
 October 18, 2005

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 *
PEQUOT CAPITAL MANAGEMENT INC

(Last) (First) (Middle)

500 NYALA FARM ROAD

(Street)

WESTPORT, CT 06880

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 10/14/2005

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)

See Footnote 1

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) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|-----------|-------|------------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, \$001 par value | 10/14/2005 | | P | | 3,600 (2) | A | \$ 3.1433 | 2,678,100 | I (2) | Investment Advisor (1) |
| Common Stock, \$001 par value | 10/14/2005 | | P | | 1,740 (2) | A | \$ 3.09 | 2,679,840 | I (2) | Investment Advisor (1) |
| Common Stock, \$001 par value | 10/14/2005 | | P | | 90,000 (2) | A | \$ 3.12 | 2,769,840 | I (2) | Investment Advisor (1) |

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

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(9-02)

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

| 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. Number of Derivative Securities Owned Beneficially (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|----------------|
| | Director | 10% Owner | Officer | Other |
| PEQUOT CAPITAL MANAGEMENT INC 500 NYALA FARM ROAD WESTPORT, CT 06880 | | | | See Footnote 1 |
| LENIHAN LAWRENCE D JR 500 NYALA FARM ROAD WESTPORT, CT 06880 | X | | | |

Signatures

Aryeh Davis, GC & COO 10/18/2005

***Signature of Reporting Person* *Date*

Lawrence D. Lenihan, Jr.,
Director (1) 10/18/2005

***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).

(1)

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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, 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.

- (2) 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.

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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