

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

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

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

(Street)  
 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

**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 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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