

LENIHAN LAWRENCE D JR  
 Form 4  
 January 21, 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 \*  
 FirstMark Capital, L.L.C.

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)  
 1221 AVENUE OF THE AMERICAS

3. Date of Earliest Transaction (Month/Day/Year)  
 01/16/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 \_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)  
 See Footnote (1)

(Street)  
 NEW YORK, NY 10020

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_\_ Form filed by One Reporting Person  
X 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 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 Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|                                 |                           |                                      |                                   |                     |                                    |  |   |

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| (Instr. 3)                  | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A)    | (D) | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares           |
|-----------------------------|------------------------------|------------------|------------|--|------|---|--------|-----|------------------|-----------------|--------------|--------------------------------------|
|                             |                              |                  |            |  |      |   |        |     |                  |                 |              |                                      |
| Stock Option (Right to Buy) | \$ 1.3 <sup>(3)</sup>        | 01/16/2009       |            |  | A    |   | 15,000 |     | <sup>(3)</sup>   | 01/16/2015      | Common Stock | 15,000 <sup>(2)</sup> <sup>(3)</sup> |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |                  |
|--|---------------|-----------|---------|------------------|
|  | Director      | 10% Owner | Officer | Other            |
| FirstMark Capital, L.L.C.<br>1221 AVENUE OF THE AMERICAS<br>NEW YORK, NY 10020 |               |           |         | See Footnote (1) |
| LENIHAN LAWRENCE D JR<br>1221 AVENUE OF THE AMERICAS<br>NEW YORK, NY 10020     |               |           | X       |                  |

## Signatures

|  |            |
|--|------------|
| /s/ Brian Kempner, Chief Operating Officer & General Counsel | 01/21/2009 |
| __Signature of Reporting Person                              | Date       |
| <br>   |            |
| /s/ Lawrence D. Lenihan, Jr., Director (1)                   | 01/21/2009 |
| __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) FirstMark Capital, L.L.C., a Delaware limited liability company ("FirstMark"), is an investment adviser acting on behalf of its clients' accounts. FirstMark disclaims any obligation to file this report, and this report shall not be deemed an admission that FirstMark is subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to the Issuer of such securities. Lawrence D. Lenihan, Jr. is the Chief Executive Officer, Managing Director, and a member of FirstMark. Mr. Lenihan also 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) FirstMark disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that FirstMark is, for the purposes of Section 16 of the Exchange Act or otherwise, the beneficial owner of such securities.
- (3) Lawrence D. Lenihan, Jr. received an option to purchase 15,000 shares of Common Stock of the Issuer (the "Option") as compensation for his service as a director on the Board of Directors of the Issuer. The Option vests periodically over the course of four years beginning January 16, 2009 and is exercisable into Common Stock at an exercise price of \$1.30 per share. The expiration of the Option is January 16, 2015.

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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