

PROGRESS SOFTWARE CORP /MA
 Form 4
 December 27, 2006

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 *
 REIDY RICHARD

2. Issuer Name and Ticker or Trading Symbol
 PROGRESS SOFTWARE CORP /MA [PRGS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 14 OAK PARK
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/22/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 President, DataDirect Tech.

BEDFORD, MA 01730
 (City) (State) (Zip)

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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) | 1,070 | D | |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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

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| 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 Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--------|--|------------------|---|--------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Stock Option (right to buy) | \$ 10.4688 | 12/22/2006 | | <u>D(1)</u> | | | 8,413 | <u>(1)</u> | 05/17/2009 | Common Stock |
| Stock Option (right to buy) | \$ 13.8788 | 12/22/2006 | | <u>A(1)</u> | | 8,413 | | <u>(1)</u> | 05/17/2009 | Common Stock |
| Stock Option (right to buy) | \$ 19.25 | 12/22/2006 | | <u>D(2)</u> | | | 25,000 | <u>(2)</u> | 02/18/2010 | Common Stock |
| Stock Option (right to buy) | \$ 23 | 12/22/2006 | | <u>A(2)(3)</u> | | 833 | | <u>(2)(3)</u> | 02/18/2010 | Common Stock |
| Stock Option (right to buy) | \$ 19.25 | 12/22/2006 | | <u>A(2)(4)</u> | | 24,167 | | <u>(2)(4)</u> | 02/18/2010 | Common Stock |
| Stock Option (right to buy) | \$ 12.8125 | 12/22/2006 | | <u>D(5)</u> | | | 50,000 | <u>(5)</u> | 04/02/2011 | Common Stock |
| Stock Option (right to buy) | \$ 14.3025 | 12/22/2006 | | <u>A(3)(5)</u> | | 11,667 | | <u>(3)(5)</u> | 04/02/2011 | Common Stock |
| Stock Option (right to buy) | \$ 12.8125 | 12/22/2006 | | <u>A(4)(5)</u> | | 38,333 | | <u>(4)(5)</u> | 04/02/2011 | Common Stock |
| Stock Option (right to buy) | \$ 13.084 | 12/22/2006 | | <u>D(6)</u> | | | 50,000 | <u>(6)</u> | 10/09/2011 | Common Stock |
| Stock Option | \$ 17.424 | 12/22/2006 | | <u>A(3)(6)</u> | | 11,667 | | <u>(3)(6)</u> | 10/09/2011 | Common Stock |

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| | | | | | | | | |
|-----------------------------|-----------|------------|---------------------|--------|---------|-------------------|------------|--------------|
| (right to buy) | | | | | | | | |
| Stock Option (right to buy) | \$ 13.084 | 12/22/2006 | A ⁽⁴⁾⁽⁶⁾ | 38,333 | | ⁽⁴⁾⁽⁶⁾ | 10/09/2011 | Common Stock |
| Stock Option (right to buy) | \$ 13.24 | 12/22/2006 | D ⁽⁷⁾ | | 100,000 | ⁽⁷⁾ | 08/01/2012 | Common Stock |
| Stock Option (right to buy) | \$ 13.5 | 12/22/2006 | A ⁽³⁾⁽⁷⁾ | 43,333 | | ⁽³⁾⁽⁷⁾ | 08/01/2012 | Common Stock |
| Stock Option (right to buy) | \$ 13.24 | 12/22/2006 | A ⁽⁴⁾⁽⁷⁾ | 56,667 | | ⁽⁴⁾⁽⁷⁾ | 08/01/2012 | Common Stock |
| Stock Option (right to buy) | \$ 15.07 | 12/22/2006 | D ⁽⁸⁾ | | 50,000 | ⁽⁸⁾ | 02/23/2013 | Common Stock |
| Stock Option (right to buy) | \$ 16.99 | 12/22/2006 | A ⁽³⁾⁽⁸⁾ | 31,667 | | ⁽³⁾⁽⁸⁾ | 02/23/2013 | Common Stock |
| Stock Option (right to buy) | \$ 15.07 | 12/22/2006 | A ⁽⁴⁾⁽⁸⁾ | 18,333 | | ⁽⁴⁾⁽⁸⁾ | 02/23/2013 | Common Stock |
| Stock Option (right to buy) | \$ 18.15 | 12/22/2006 | D ⁽⁹⁾ | | 35,000 | ⁽⁹⁾ | 05/23/2014 | Common Stock |
| Stock Option (right to buy) | \$ 18.75 | 12/22/2006 | A ⁽³⁾⁽⁹⁾ | 29,167 | | ⁽³⁾⁽⁹⁾ | 05/23/2014 | Common Stock |
| Stock Option (right to buy) | \$ 18.15 | 12/22/2006 | A ⁽⁴⁾⁽⁹⁾ | 5,833 | | ⁽⁴⁾⁽⁹⁾ | 05/23/2014 | Common Stock |
| Stock Option (right to buy) | \$ 19.25 | 12/22/2006 | D ⁽¹⁰⁾ | | 35,000 | ⁽¹⁰⁾ | 09/26/2014 | Common Stock |

| | | | | | | | | |
|-----------------------------|------------|------------|----------------------|--------|----------------|------------|--------------|--|
| buy) | | | | | | | | |
| Stock Option (right to buy) | \$ 21.45 | 12/22/2006 | A ⁽³⁾⁽¹⁰⁾ | 29,166 | <u>(3)(10)</u> | 09/26/2014 | Common Stock | |
| Stock Option (right to buy) | \$ 19.25 | 12/22/2006 | A ⁽⁴⁾⁽¹⁰⁾ | 5,834 | <u>(4)(10)</u> | 09/26/2014 | Common Stock | |
| Stock Option (right to buy) | \$ 12.8125 | | | | <u>(11)</u> | 02/10/2009 | Common Stock | |
| Stock Option (right to buy) | \$ 12.8125 | | | | <u>(12)</u> | 02/10/2009 | Common Stock | |
| Stock Option (right to buy) | \$ 21.86 | | | | <u>(13)</u> | 11/10/2013 | Common Stock | |
| Stock Option (right to buy) | \$ 30.81 | | | | <u>(14)</u> | 11/14/2012 | Common Stock | |
| Stock Option (right to buy) | \$ 30.81 | | | | <u>(15)</u> | 11/14/2012 | Common Stock | |
| Stock Option (right to buy) | \$ 23.07 | | | | <u>(16)</u> | 05/21/2013 | Common Stock | |
| Stock Option (right to buy) | \$ 25.01 | | | | <u>(16)</u> | 09/19/2013 | Common Stock | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| REIDY RICHARD 14 OAK PARK | | | President, DataDirect Tech. | |

BEDFORD, MA 01730

Signatures

/s/ James D. Freedman,
Attorney-in-fact

12/27/2006

__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) These two reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of a replacement option. The option was originally granted on May 17, 1999 and vested as to 1,100 shares on January 17, 1999, vests in equal monthly increments from December 1, 1999 to March 1, 2009 and vests as to 292 shares on April 1, 2009.

(2) These three reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of two replacement options. The option was originally granted on February 18, 2000 and vested in 60 equal monthly increments of 416.7 shares commencing on March 1, 2000.

(3) Represents the unexercised portion vesting after December 31, 2004.

(4) Represents the unexercised portion vested on or before December 31, 2004.

(5) These three reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of two replacement options. The option was originally granted on April 3, 2001 and vested in 60 equal monthly increments of 833.3 shares commencing on March 1, 2001.

(6) These three reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of two replacement options. The option was originally granted on October 10, 2001 and vested in 60 equal monthly increments of 833.3 shares commencing on March 1, 2001.

(7) These three reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of two replacement options. The option was originally granted on August 2, 2002 and vests in 60 equal monthly increments of 1,666.7 shares commencing on March 1, 2002.

(8) These three reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of two replacement options. The option was originally granted on February 24, 2003 and vests in 60 equal monthly increments of 833.3 shares commencing on March 1, 2003.

(9) These three reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of two replacement options. The option was originally granted on May 24, 2004 and vests in 60 equal monthly increments of 583.3 shares commencing on March 1, 2004.

(10) These three reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the deemed grant of two replacement options. The option was originally granted on September 27, 2004 and vests in 60 equal monthly increments of 583.3 shares commencing on March 1, 2004.

(11) The option vested in 60 equal monthly increments of 1,333.3 shares commencing on March 1, 1999.

(12) The option vested as to 600 shares on November 17, 1999, vests in equal monthly increments from December 1, 1999 to December 1, 2008 and vests as to 206 shares on January 1, 2009.

(13) The option vests in 60 equal monthly increments of 833.3 shares commencing on March 1, 2003.

(14) The option vests in 60 equal monthly increments of 483.3 shares commencing on March 1, 2005.

(15) The option vests in 60 equal monthly increments of 183.3 shares commencing on March 1, 2005.

(16) The option vests in 60 equal monthly increments of 333.3 shares commencing on March 1, 2006.

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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