

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C., 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 5, 2006

Progress Software Corporation
(Exact name of registrant as specified in its charter)

Commission file number: 0-19417

Massachusetts
(State or other jurisdiction of
incorporation or organization)

04-2746201
(I.R.S. employer
identification no.)

14 Oak Park
Bedford, Massachusetts 01730
(Address of principal executive offices, including zip code)

(781) 280-4000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

[Item 1.01 Entry into a Material Definitive Agreement](#)

[Item 9.01 Financial Statements and Exhibits](#)

[SIGNATURES](#)

[EX-99.1 Amendment to the Progress Software Corporation 1991 Employee Stock Purchase Plan, as amended](#)

Table of Contents

Item 1.01 Entry into a Material Definitive Agreement

On September 5, 2006, the Board of Directors of Progress Software Corporation (the “Company”) voted to amend the Company’s 1991 Employee Stock Purchase Plan, as amended (the “Plan”), in response to the Company’s temporary suspension of the issuance and sale of shares of Common Stock of the Company pursuant to its registration statements on Form S-8 filed with the Securities and Exchange Commission with respect to the Plan.

The Plan operates through a series of 27-month offering periods, each of which includes nine quarterly purchase periods. Payroll deductions of plan participants are used to purchase shares of Common Stock at the end of each purchase period.

The amendments provide that no purchases of shares of Common Stock of the Company under the Plan shall occur, nor shall any new offering periods commence, at any time when the Company is not lawfully permitted to offer, issue and sell shares of Common Stock pursuant to the terms of the Plan. Participants may withdraw from participation in any offering period at any time and obtain a full refund of any remaining payroll deductions made during such offering period. The amendments also provide that, if a participant does not withdraw from an offering period, any remaining payroll deductions withheld pursuant to terms of the Plan prior to the temporary suspension of the registration statements on Form S-8 applicable to the Plan will be used to purchase shares of Common Stock at the end of the next succeeding purchase period at which the Company may lawfully offer, issue and sell shares of Common Stock pursuant to the Plan. If no such purchase period occurs during an offering period, then participants’ remaining payroll deductions for that offering period will be returned to them, without interest. Finally, the amendments provide that, if an offering period cannot commence on a regular commencement date because on that date the Company is not lawfully permitted to offer, issue and sell shares of Common Stock pursuant to the terms of the Plan, the Compensation Committee shall have the discretion to select another commencement date for such offering period and to determine whether such offering period will have a duration of less than 27 months.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Amendment to the Progress Software Corporation 1991 Employee Stock Purchase Plan, as amended

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 11, 2006

Progress Software Corporation

By: /s/ Norman R. Robertson
Senior Vice President, Finance and Administration and
Chief Financial Officer

**Vote Adopted by the Board of Directors
of Progress Software Corporation
on September 5, 2006**

RESOLVED: That the Progress Software Corporation 1991 Employee Stock Purchase Plan (Amended and Restated as of March 10, 1998) (the "Plan") be, and it hereby is, amended as follows:

Paragraph 4 of the Plan shall be amended by adding the following language at the end of that Paragraph: "Notwithstanding the foregoing and subject to Paragraph 22, in the event that, on any Exercise Date provided for herein, it is determined that the Company is not then lawfully permitted to offer, issue and sell shares of Common Stock in accordance with the terms of this Plan pursuant to an effective registration statement under the Securities Act of 1933, as amended, such Exercise Date shall be of no force or effect."

Paragraph 8 of the Plan shall be amended by adding the following language at the end of that Paragraph: "In the event that an Exercise Date is of no force or effect pursuant to the provisions of Paragraph 4 above, the automatic exercise described in this Paragraph shall occur on the next succeeding Exercise Date in such Offering Period that has not been determined to be of no force or effect. If there is no such Exercise Date in the Offering Period, all of the participant's outstanding payroll deductions for such Offering Period shall be returned to the participant, without interest."

Paragraph 4 of the Plan shall be further amended by adding the following language at the end of the second subparagraph of Paragraph 4: "Notwithstanding the foregoing, no Offering Period shall commence if at any time it is determined that the Company is not then lawfully permitted to offer, issue and sell shares of Common Stock in accordance with the terms of this Plan pursuant to an effective registration statement under the Securities Act of 1933, as amended. If an Offering Period cannot commence upon any date for the reason set forth above, an Offering Period may commence upon a date other than January 1, April 1, July 1 or October 1, and such Offering Period may be for a duration of less than 27 months. Any determination as to whether an Offering Period shall so commence on another date, and the duration of such Offering Period, shall be in the sole discretion of the Committee."