

**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): October 13, 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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Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

On October 13, 2006, Progress Software Corporation received a Nasdaq Staff Determination Letter indicating that the company's common stock is subject to delisting from the Nasdaq Global Select Market pursuant to Nasdaq Marketplace Rule 4310(c)(14) because of the delay in filing the company's Quarterly Report on Form 10-Q for the three months ended August 31, 2006. Progress Software has previously announced that it is not in compliance with Nasdaq's Marketplace Rule 4310(c)(14) because it has not timely filed its Quarterly Report on Form 10-Q for the three months ended May 31, 2006.

On October 18, 2006, Progress Software received a letter from the Nasdaq Stock Market indicating that the Nasdaq Listing Qualifications Panel has granted the company's request for continued listing of the company's securities on the Nasdaq Global Select Market, subject to the conditions that: (1) on or before November 30, 2006, the company must file with the Securities and Exchange Commission the company's Form 10-Q for the three months ended May 31, 2006, its Form 10-Q for the three months ended August 31, 2006, and all required restatements; and (2) on or about November 17, 2006, the company must provide the Nasdaq Hearings Department with additional information regarding the company's internal review of its historical stock option practices and related accounting.

Although the company expects to file all required reports with the SEC by November 30, 2006 and to meet all other conditions required by Nasdaq for continued listing of its common stock, it can provide no assurance that it will be able to do so.

On October 19, 2006, Progress Software issued a press release announcing the receipt of the Staff Determination Letter and the determination of the Nasdaq Listing Qualifications Panel. A copy of the press release is attached as Exhibit 99.1 to this Current Report and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated October 19, 2006

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: October 19, 2006

Progress Software Corporation

By: /s/ Norman R. Robertson

Senior Vice President, Finance and
Administration and Chief Financial Officer



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**PROGRESS SOFTWARE RECEIVES ADDITIONAL NOTICE FROM NASDAQ
DUE TO LATE FILING OF FORM 10-Q**

COMPANY GRANTED CONDITIONAL NASDAQ LISTING

BEDFORD, Mass., October 19, 2006—Progress Software Corporation (NASDAQ: PRGS) a supplier of leading technology to develop, deploy, integrate and manage business applications, today announced that, as a result of the delay in filing its Quarterly Report on Form 10-Q for the three months ended August 31, 2006, it has received a Nasdaq Staff Determination Letter dated October 13, 2006 indicating that the Company's common stock is subject to delisting from the Nasdaq Global Select Market pursuant to Nasdaq Marketplace Rule 4310(c)(14). Progress Software has previously announced that it is not in compliance with Nasdaq's Marketplace Rule 4310(c)(14) because it has not timely filed its Quarterly Report on Form 10-Q for the three months ended May 31, 2006.

Progress Software also announced today that on October 18, 2006, it received a letter from the Nasdaq Stock Market indicating that the Nasdaq Listing Qualifications Panel has granted the company's request for continued listing of the Company's securities on the Nasdaq Global Select Market, subject to the conditions that: (1) on or before November 30, 2006, the Company must file with the Securities and Exchange Commission the Company's Form 10-Q for the three months ended May 31, 2006, its Form 10-Q for the three months ended August 31, 2006, and all required restatements; and (2) on or about November 17, 2006, the Company must provide the Nasdaq Hearings Department with additional information regarding the Company's internal review of its historical stock option practices and related accounting.

Although the Company expects to file all required reports with the SEC by November 30, 2006 and to meet all other conditions required by Nasdaq for continued listing of its common stock, it can provide no assurance that it will be able to do so.

Safe Harbor Statement

Except for the historical information and discussions contained herein, statements contained in this report may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding the Company’s expectation that it will file all required reports with the SEC by November 30, 2006 and meet all other conditions required by Nasdaq for continued listing of its common stock. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including but not limited to the following: the possibility that the ongoing review of the Company’s stock option grant practices may expand in scope and/or result in additional charges; unanticipated consequences of any restatement; the risk that the anticipated accounting adjustments and other factors described above could have negative tax or other implications for the Company, including additional tax liabilities; the risk that the Company’s internal control over financial reporting and disclosure controls and procedures are not, and have not been, effective; the risk that the Company will be unable to comply with its SEC filing obligations in a timely manner; the risk that the Nasdaq Stock Market will delist the Company’s common stock; the risk that the Company will face additional claims and proceedings in connection with its stock option grant practices, including additional shareholder litigation and more formal proceedings by the SEC or other governmental agencies; and the financial impact of the foregoing, including potentially significant litigation defense costs and claims for indemnification and advancement of expenses by directors, officers and others. The Company undertakes no obligation to update information contained in this report. For further information regarding risks and uncertainties associated with the Company’s business, please refer to the Company’s filings with the Securities and Exchange Commission.

About Progress Software Corporation

Progress Software Corporation (Nasdaq: PRGS) is a global industry leader providing application infrastructure software for all aspects of the development, deployment, integration and management of business applications. Headquartered in Bedford, Mass., Progress can be reached at www.progress.com or +1-781-280-4000.