

PROGRESS SOFTWARE CORP /MA
Form SC 13D/A
May 08, 2012

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

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
§ 240.13d-2(a)

(Amendment No. 3)1

(Name of Issuer)
Progress Software Corporation

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

743312100
(CUSIP Number)

JEFFREY C. SMITH
STARBOARD VALUE LP
830 Third Avenue, 3rd Floor
New York, New York 10022
(212) 845-7977

STEVEN WOLOSKY, ESQ.
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

May 7, 2012
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box " .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS " " IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		1,784,358
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	1,784,358
		SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,784,358

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.8%

14 TYPE OF REPORTING PERSON

CO

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

2 STARBOARD VALUE AND OPPORTUNITY S LLC
CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 WC
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		604,951
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	604,951
		SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 604,951
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14 Less than 1%
TYPE OF REPORTING PERSON

OO

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

STARBOARD VALUE LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☐ (b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) ☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		3,235,000
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		3,235,000
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,235,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) ☐ EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.2%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

STARBOARD VALUE GP LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		3,235,000
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	3,235,000
		SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,235,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.2%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

STARBOARD PRINCIPAL CO LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF 7 SOLE VOTING POWER
SHARES

BENEFICIALLY 3,235,000

OWNED BY 8 SHARED VOTING POWER

EACH

REPORTING

PERSON WITH 9 - 0 -
SOLE DISPOSITIVE POWER

10 3,235,000
SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,235,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.2%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

STARBOARD PRINCIPAL CO GP LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		3,235,000
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	3,235,000
		SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,235,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.2%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

JEFFREY C. SMITH

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS " IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF 7 SOLE VOTING POWER

SHARES - 0 -

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER

EACH 3,235,000

REPORTING 9 SOLE DISPOSITIVE POWER

PERSON WITH 10 - 0 -

SHARED DISPOSITIVE POWER

3,235,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,235,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o

EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.2%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

MARK MITCHELL

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF 7 SOLE VOTING POWER

SHARES - 0 -

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER

EACH 3,235,000

REPORTING 9 SOLE DISPOSITIVE POWER

PERSON WITH 10 - 0 -

SHARED DISPOSITIVE POWER

- 0 -

SHARED DISPOSITIVE POWER

3,235,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,235,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.2%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 743312100

1 NAME OF REPORTING PERSON

PETER A. FELD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS ..
IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		3,235,000
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -
		SHARED DISPOSITIVE POWER
		3,235,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,235,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.2%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 743312100

The following constitutes Amendment No. 3 to the Schedule 13D filed by the undersigned ("Amendment No. 3"). This Amendment No. 3 amends the Schedule 13D as specifically set forth herein.

Item 2. Identity and Background.

Item 2 is hereby amended to add the following:

As more fully described in Item 4 below, on May 7, 2012, the Reporting Persons informed the Board of Directors of the Issuer (the "Board") of their decision to withdraw their director nominations and pending proxy contest at the 2012 annual meeting of the Issuer's shareholders (the "2012 Annual Meeting"). As such, Messrs. Fuller and Terino will no longer be members of the Section 13(d) group. The remaining Reporting Persons will continue filing as a group statements on Schedule 13D with respect to their beneficial ownership of securities of the Issuer to the extent required by applicable law. The Reporting Persons have terminated the Joint Filing and Solicitation Agreement, as amended, as of the date hereof, and each of the remaining Reporting Persons has entered into a Joint Filing Agreement, as described in Item 6 below.

Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

On May 7, 2012, the Reporting Persons delivered a letter to Jay Bhatt, the Issuer's President and CEO, and to the Board, a copy of which is attached as Exhibit 99.1 and is incorporated herein by reference. In the letter, Starboard stated that the strategic plan outlined by the Issuer's management is a large step in the right direction and addresses many of Starboard's previously outlined concerns. Starboard noted its belief that the Issuer's stock continues to be undervalued and, with good execution of the strategic plan, operating margins can exceed the 35% target. Starboard strongly advised the Issuer to refrain from any acquisitions until after it has successfully executed the entire strategic plan and the Issuer is no longer undervalued by the stock market. Starboard informed Mr. Bhatt and the Board of its decision to withdraw the pending proxy contest in order to allow management to singularly focus on the execution of the announced strategic plan. Starboard expressed it is appreciative of the good working relationship it has developed with Mr. Bhatt and his management team and looks forward to continuing the constructive dialogue as Starboard monitors the Issuer's progress in increasing profitability, growth, and shareholder value.

Item 5. Interest in Securities of the Issuer.

Items 5(a)-(c) are hereby amended and restated to read as follows:

The aggregate percentage of Shares reported owned by each person named herein is based upon 62,791,424 Shares outstanding, as of March 23, 2012, which is the total number of Shares outstanding as reported in the Issuer's definitive proxy statement for the 2012 Annual Meeting filed with the Securities and Exchange Commission on April 20, 2012.

A. Starboard V&O Fund

- (a) As of the close of business on May 7, 2012, Starboard V&O Fund beneficially owned 1,784,358 Shares.

Percentage: Approximately 2.8%

- (b) 1. Sole power to vote or direct vote: 1,784,358

- 2. Shared power to vote or direct vote: 0
- 3. Sole power to dispose or direct the disposition: 1,784,358
- 4. Shared power to dispose or direct the disposition: 0

CUSIP NO. 743312100

(c) Starboard V&O Fund has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D.

B. Starboard LLC

(a) As of the close of business on May 7, 2012, Starboard LLC beneficially owned 604,951 Shares.

Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 604,951
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 604,951
 4. Shared power to dispose or direct the disposition: 0

(c) Starboard LLC has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D.

C. Starboard Value LP

(a) As of the close of business on May 7, 2012, 845,691 Shares were held in the Starboard Value LP Account. Starboard Value LP, as the investment manager of Starboard V&O Fund and the Manager of Starboard LLC, may be deemed the beneficial owner of the (i) 1,784,358 Shares owned by Starboard V&O Fund and (ii) 604,951 Shares owned by Starboard LLC.

Percentage: Approximately 5.2%

- (b)
1. Sole power to vote or direct vote: 3,235,000
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 3,235,000
 4. Shared power to dispose or direct the disposition: 0

(c) Starboard Value LP has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D.

D. Starboard Value GP

(a) Starboard Value GP, as the general partner of Starboard Value LP, may be deemed the beneficial owner of the (i) 1,784,358 Shares owned by Starboard V&O Fund, (ii) 604,951 Shares owned by Starboard LLC and (iii) 845,691 Shares held in the Starboard Value LP Account.

Percentage: Approximately 5.2%

- (b)
1. Sole power to vote or direct vote: 3,235,000
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 3,235,000
 4. Shared power to dispose or direct the disposition: 0

CUSIP NO. 743312100

(c) Starboard Value GP has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D.

E. Principal Co

(a) Principal Co, as a member of Starboard Value GP, may be deemed the beneficial owner of the (i) 1,784,358 Shares owned by Starboard V&O Fund, (ii) 604,951 Shares owned by Starboard LLC and (iii) 845,691 Shares held in the Starboard Value LP Account.

Percentage: Approximately 5.2%

- (b)
1. Sole power to vote or direct vote: 3,235,000
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 3,235,000
 4. Shared power to dispose or direct the disposition: 0

(c) Principal Co has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D.

F. Principal GP

(a) Principal GP, as the general partner of Principal Co, may be deemed the beneficial owner of the (i) 1,784,358 Shares owned by Starboard V&O Fund, (ii) 604,951 Shares owned by Starboard LLC and (iii) 845,691 Shares held in the Starboard Value LP Account.

Percentage: Approximately 5.2%

- (b)
1. Sole power to vote or direct vote: 3,235,000
 2. Shared power to vote or direct vote: 0
 3. Sole power to dispose or direct the disposition: 3,235,000
 4. Shared power to dispose or direct the disposition: 0

(c) Principal GP has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D.

G. Messrs. Smith, Mitchell and Feld

(a) Each of Messrs. Smith, Mitchell and Feld, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP, may be deemed the beneficial owner of the (i) 1,784,358 Shares owned by Starboard V&O Fund, (ii) 604,951 Shares owned by Starboard LLC and (iii) 845,691 Shares held in the Starboard Value LP Account.

Percentage: Approximately 5.2%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 3,235,000
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 3,235,000

CUSIP NO. 743312100

(c) None of Messrs. Smith, Mitchell or Feld has entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended to add the following:

On May 8, 2012, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer to the extent required by applicable law. The Joint Filing Agreement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibits:

99.1 Letter to President and CEO Jay Bhatt and the Board.

99.2 Joint Filing Agreement.

CUSIP NO. 743312100

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: May 8, 2012

STARBOARD VALUE AND
OPPORTUNITY MASTER FUND LTD
By: Starboard Value LP,
its investment manager

STARBOARD VALUE AND
OPPORTUNITY S LLC
By: Starboard Value LP,
its manager

STARBOARD VALUE LP
By: Starboard Value GP LLC,
its general partner

STARBOARD VALUE GP LLC
By: Starboard Principal Co LP,
its member

STARBOARD PRINCIPAL CO LP
By: Starboard Principal Co GP LLC,
its general partner

STARBOARD PRINCIPAL CO GP LLC

By: /s/ Jeffrey C.
Smith
Name: Jeffrey C.
Smith
Title: Authorized
Signatory

/s/ Jeffrey C.
Smith
JEFFREY C.
SMITH
Individually
and as
attorney-in-fact
for Mark R.
Mitchell and
Peter A. Feld

