

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-01-05** | Period of Report: **2006-01-03**
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REPORTING OWNER

RIECHERS GENE

CIK: **1250500**

Type: **4** | Act: **34** | File No.: **001-15681** | Film No.: **06514110**

Mailing Address

1650 TYSONS BLVD
SUITE 400
FAIRFAX VA 22102

Business Address

7034481400

ISSUER

WEBMETHODS INC

CIK: **1035096** | IRS No.: **541807654** | State of Incorp.: **DE** | Fiscal Year End: **0331**
SIC: **7371** Computer programming services

Mailing Address

3877 FAIRFAX RIDGE ROAD -
SOUTH TOWER
FAIRFAX VA 22030

Business Address

3877 FAIRFAX RIDGE ROAD -
SOUTH TOWER
FAIRFAX VA 22030
7034602500

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person RIECHERS GENE			2. Issuer Name and Ticker or Trading Symbol WEBMETHODS INC [WEBM]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/03/2006			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
3877 FAIRFAX RIDGE ROAD, SOUTH TOWER			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) FAIRFAX, VA 22030								
(City)	(State)	(Zip)						

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								30,125	D	

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

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Stock Option (right to buy)	\$6.04							12/17/1999 ⁽¹⁾	11/17/2009	Common Stock	55,188	55,188	D	
Stock Option (right to buy)	\$8.85							09/28/2002 ⁽²⁾	08/28/2012	Common Stock	15,000	15,000	D	
Stock Option (right to buy)	\$8.32							09/26/2003 ⁽²⁾	08/26/2013	Common Stock	15,000	15,000	D	
Stock Option (right to buy)	\$4.29							09/26/2004 ⁽²⁾	08/26/2014	Common Stock	15,000	15,000	D	

Stock Option (right to buy)	\$6.81						09/30/2005 ⁽²⁾	08/30/2015	Common Stock	15,000		15,000	D	
Phantom Stock ⁽³⁾	⁽⁴⁾	01/03/2006		<u>A</u>	1,378.678		⁽⁵⁾	⁽⁵⁾	Common Stock	1,378.678	\$7.77	9,054.972	D	

Explanation of Responses:

- Option vests ratably over 36 months following option grant date.
- Option vests ratably over twelve months following option grant date.
- Pursuant to the webMethods, Inc. Deferred Compensation Plan for Directors (the "Plan"), the reporting person has elected to defer receipt of his retainer and fees for attending Board and Committee meetings and receive shares of common stock valued by the quotient of the amount of Director retainer fees accrued during the previous quarter divided by the fair market value of webMethods' common stock, as calculated in accordance with the Plan.
- One for one.
- The phantom stock will be paid to the reporting person in the form of common stock, as soon as practicable after the earliest of the reporting person's termination of service as a director, the termination of the Plan or the time that the Administrator under the Plan approves a distribution in the event of severe financial hardship.

Signatures

Douglas McNitt, Attorney in Fact

** Signature of Reporting Person

01/05/2006

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.