

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-08-03** | Period of Report: **2006-08-01**

SEC Accession No. **0001209191-06-044324**

([HTML Version](#) on secdatabase.com)

ISSUER

WEBMETHODS INC

CIK: **1035096** | IRS No.: **541807654** | State of Incorporation: **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

REPORTING OWNER

Wabshall Mark

CIK: **1326235**
Type: **4** | Act: **34** | File No.: **001-15681** | Film No.: **061003513**

Mailing Address

3877 FAIRFAX RIDGE ROAD
SOUTH TOWER
FAIRFAX VA 22030

Business Address

703-460-2500

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: 02/28/2011
Estimated average burden hours per response 0.5

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 Wabshall Mark			2. Issuer Name and Ticker or Trading Symbol WEBMETHODS INC [WEBM]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) CFO, CAO & EVP		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/01/2006			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								6,036 ⁽¹⁾	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)	\$4.65							07/19/2005 ⁽²⁾	07/19/2014	Common Stock	65,000	65,000	D	
Stock Option (right to buy)	\$5.07							07/08/2005 ⁽³⁾	06/08/2015	Common Stock	35,000	35,000	D	
Stock Option (right to buy)	\$5.89							08/11/2005 ⁽⁴⁾	07/11/2015	Common Stock	62,500	62,500	D	

Stock Option (right to buy)	\$7.94						01/02/2006 ⁽³⁾	12/02/2015	Common Stock	80,000		80,000	D
Stock Option (right to buy)	\$7.09	08/01/2006		<u>A</u>	20,000		08/01/2007 ⁽²⁾	08/01/2016	Common Stock	20,000	\$ 0	20,000	D

Explanation of Responses:

1. Includes 6,036 shares acquired under the webMethods Employee Stock Purchase Plan.
2. 25% vests on first anniversary of option grant date and remainder vests ratably each month over following three years.
3. Option vest ratably (1/48th) each month over a four year period from the grant date
4. Option vests ratably over 36 months following option grant date.

Signatures

Edmund Graff, Attorney in Fact

** Signature of Reporting Person

08/03/2006

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.

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints each of Douglas McNitt, Edmund Graff, M. Scott Brown and Elizabeth Giglio, or either of them , so long as he remains an employee or officer of webMethods, Inc., with full powers of substitution or revocation, my true and lawful attorneys-in-fact, with full power to:

1. execute for and on my behalf, in my capacity as an officer and/or director of webMethods, Inc. (the "Company"), Forms 3, 4, and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and the rules thereunder:
2. do and perform any and all acts for and on my behalf which may be necessary or desirable to complete and execute such From 3, 4, and 5 or any amendment or amendments thereto, including obtaining information from any broker, dealer, or representative of the undersigned, and timely file any such Form with the Securities and Exchange Commission and any stock exchange or similar authority; and
3. take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the interest of, or legally required by, me, it being understood that the documents executed by such attorney-in-fact on my behalf pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform each and every act and thing requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is webMethods, Inc. assuming, any of the undersigned responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

Unless earlier revoked by me in a signed writing delivered to the foregoing attorneys-in-fact, this power of attorney shall remain in effect so long as I remain subject to the provisions of Section 16 of the Exchange Act and all regulations thereunder, with respect to my position as an officer or director of webMethods, Inc.

The undersigned has executed this Power of Attorney as of this 2nd day of February 2006.

/s/ MARK WABSCHALL

Mark Wabschall