

LENIHAN LAWRENCE D JR
 Form 4
 November 29, 2004

FORM 4

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

OMB APPROVAL

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
**PEQUOT CAPITAL
 MANAGEMENT INC**

(Last) (First) (Middle)

500 NYALA FARM ROAD

(Street)

WESTPORT, CT 06880

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
NETEGRITY INC [NETE]

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/24/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

See Footnote 1

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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, \$0.01 par value	11/24/2004		D		2,651,180 ⁽²⁾ \$ 10.75 ⁽³⁾	I ⁽²⁾	Investment Advisor ⁽¹⁾
Common Stock, \$0.01 par value	11/24/2004		D		15,000 ⁽²⁾ \$ 10.75 ⁽³⁾	I ⁽²⁾	By son ⁽⁴⁾
Common Stock, \$0.01 par value	11/24/2004		D		39,625 ⁽²⁾ \$ 10.75 ⁽³⁾	D ⁽²⁾	

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

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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 Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (Right-to-buy)	\$ 4.4	11/24/2004		D	15,000	<u>(6)</u> 02/26/2010	Common Stock, \$0.01 par value	15,000
Stock Option (Right-to-buy)	\$ 8.38	11/24/2004		D	15,000	<u>(7)</u> 03/12/2014	Common Stock, \$0.01 par value	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PEQUOT CAPITAL MANAGEMENT INC 500 NYALA FARM ROAD WESTPORT, CT 06880	X			See Footnote 1
LENIHAN LAWRENCE D JR 500 NYALA FARM ROAD WESTPORT, CT 06880				See Footnote 1

Signatures

/s/ Aryeh Davis, General Counsel, Pequot Capital Management, Inc.

11/29/2004

**Signature of Reporting Person

Date

/s/ Lawrence D. Lenihan, Jr., Director (1)

11/29/2004

**Signature of Reporting Person

Date

Explanation of Responses:

* 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).

Pequot Capital Management, Inc. ("Pequot") is an investment advisor registered under Section 203 of the Investment Advisors Act of 1940 and has voting and investment power with respect to securities in clients' accounts. Pequot disclaims any obligation to file this

(1) report, and this report shall not be deemed an admission that Pequot is subject to Section 16 with respect to the issuer of such securities. Lawrence D. Lenihan, Jr. is an employee of Pequot and serves on the Board of Directors of Netegrity (the "Issuer") and disclaims beneficial ownership of these securities except to the extent of his pecuniary interest.

(2) Pequot disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that Pequot is, for the purposes of Section 16 of the Exchange Act or otherwise, the beneficial owner of such securities.

(3) Disposed of in connection with the consummation of the merger on November 24, 2004, as contemplated by the Agreement and Plan of Merger, dated as of October 6, 2004, by and among the Issuer, Computer Associates International, Inc. and Nova Acquisition Corp.

(4) Represents shares indirectly beneficially owned by Lawrence D. Lenihan, Jr.

(5) Represents shares directly beneficially owned by Lawrence D. Lenihan, Jr.

(6) This option, which provided for the vesting of 25% of the total grant (or 3,750 shares) on each anniversary of the grant date, February 26, 2003, was terminated in the merger in exchange for a cash payment of \$95,250, representing the number of shares of the Issuer's common stock subject to such option multiplied by the amount by which the cash consideration per share to be paid in the merger (\$10.75) exceeded the exercise price of the option.

(7) This option, which provided for the vesting of 5% of the total grant (or 750 shares) at the end of each calendar quarter over five years commencing on March 31, 2004, was terminated in the merger in exchange for a cash payment of \$35,550, representing the number of shares of the Issuer's common stock subject to such option multiplied by the amount by which the cash consideration per share to be paid in the merger (\$10.75) exceeded the exercise price of the option.

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

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