

PEQUOT CAPITAL MANAGEMENT INC/CT/
Form SC 13D/A
August 09, 2001

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. #10)
Netegrity, Inc.
(Name of Issuer)

Common Shares, \$.01 par value
(Title of Class of Securities)

64110P107
(CUSIP Number)

Pequot Capital Management, Inc., 500 Nyala Farm Road
Westport, CT 06880 Attn: Peter G. Streinger 203/429-2200
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 2, 2001
(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 which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [].

Check the following box if a fee is being paid with this statement ___. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.)
(See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*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 the disclosures provided in a prior cover page.

The information required in 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).

SCHEDULE 13D

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1. NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Pequot Capital Management, Inc.
06-1524885

2. CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP*

(a) []
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

00

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REUIRED PURSUANT TO
ITEMS 2 (d) OR 2 (e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

CONNECTICUT

7. SOLE VOTING POWER
2,651,180

NUMBER OF SHARES
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON WITH

8. SHARED VOTING POWER
0

9. SOLE DISPOSITIVE POWER
2,651,180

10. SHARED DISPOSITIVE POWER
0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,651,180

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

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

8.60%

14. TYPE OF REPORTING PERSON*

IA

Item 1. Security and Issuer

This Statement relates to the Common Stock, \$.01 par value (the "Shares"), of Netegrity, Inc. (the "Company"), a Delaware corporation. The Company's principal executive office is located at 52 Second Avenue, Waltham, MA 02451.

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Item 2. Identity and Background

This statement is being filed on behalf of Pequot Capital Management, Inc., a Connecticut corporation (the "Reporting Person"). The principal business of the Reporting Person, an investment adviser registered under the Investment Advisers Act of 1940, is to act as investment adviser to certain managed accounts. The executive officers of the Reporting Person are Messrs. Arthur J. Samberg, Daniel C. Benton and Kevin E. O'Brien, the directors of the Reporting Person are Messrs. Samberg, Benton and Kevin E. O'Brien, and the controlling shareholders are Messrs. Samberg and Benton (collectively, the "Executive Officers, Directors and Controlling Persons"). The business address of the Reporting Person and the Executive Officers, Directors and Controlling Persons is 500 Nyala Farm Road, Westport, CT 06880.

Neither of the Reporting Person nor the Executive Officers, Directors and Controlling Persons have, during the last five years, been convicted in criminal proceeding (excluding traffic violations or similar misdemeanors).

Neither of the Reporting Person nor the Executive Officers, Directors and Controlling Persons have, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction which resulted in a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violation with respect to such laws. Each of the Executive Officers, Directors and the Controlling Persons are citizens of the United States.

Item 3. Source and Amount of Funds or Other Consideration

As of the date hereof, under rule 13d-3 under the Securities Exchange Act of 1934, the Reporting Person is deemed to be the beneficial owner of 2,651,180 of the Company's Shares. On May 17, 2001, the accounts for which the Reporting Person exercises investment discretion (the "Accounts") sold 76,923 Shares at an average price of \$39.0647, on May 18, 2001, the Accounts sold 57,692 at an average price of \$40.1167, on August 1, 2001, the Accounts sold 100,000 Shares at an average price of \$28.3005, on August 2, 2001, the Accounts sold 200,000 Shares at an average price of \$27.2968, on August 3, 2001, the Accounts sold 90,000 Shares at an average price of \$25.6711, on August 6, 2001, the Accounts sold 35,000 Shares at an average price of \$25.0600, and on August 7, 2001, the Accounts sold 75,000 Shares at an average price of \$24.9980.

Item 4. Purpose of Transaction

The sale of the Shares described herein was made in the ordinary course of the Reporting Person's investment activities. The Reporting Person reserves the right to purchase additional Shares or to dispose of further Shares in the open market or in privately negotiated transactions or in any other lawful manner in the future. The Reporting Person also has placed an employee on the Company's Board of Directors and the Reporting Person reserves the right to take whatever additional action with respect to the Accounts' holdings in the Company as the Reporting Person deems to be in the best interest of such Accounts.

Item 5. Interest in Securities of the Issuer

As of the date hereof, the Reporting Person beneficially owns in the aggregate 2,651,180 Shares. These Shares represent approximately 8.60% of the 30,834,211 Shares that the Reporting Person believes are outstanding. The Reporting Person has the sole power to vote, direct the vote, dispose

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and direct the disposition of all of the Shares. In addition, an employee of the Reporting Person serves on the Board of Directors of the issuer.

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

None.

Item 7. Material to be Filed as Exhibits

None.

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

August 9, 2001

Pequot Capital Management, Inc.

By:/s/ Peter G. Streinger
Chief Financial Officer