Eveyln Robert C Form 4 February 01, 2006

FORM 4

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

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction 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(b).

(Last)

(City)

Security

(Instr. 3)

1. Name and Address of Reporting Person * Eveyln Robert C

Symbol

01/30/2006

2. Issuer Name and Ticker or Trading

NEON SYSTEMS INC [NEON]

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

14100 SOUTHWEST FREEWAY, **SUITE 500**

(State)

(First)

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

Director 10% Owner Other (specify X_ Officer (give title

> below) **SVP Strategy and Solutions**

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

SUGAR LAND, TX 77478

1. Title of 2. Transaction Date 2A. Deemed

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned (Month/Day/Year)

(Zip)

(Middle)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership Form: Direct (D) or Indirect Beneficial (T) (Instr. 4)

Indirect Ownership (Instr. 4)

7. Nature of

Reported (A) Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

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

Conversion or Exercise

(Month/Day/Year)

3. Transaction Date 3A. Deemed Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to buy)	\$ 3.61	01/30/2006		D			60,000	<u>(1)</u>	12/13/2014	Common Stock	60,000
Employee Stock Option (Right to buy)	\$ 3.01	01/30/2006		D			40,000	<u>(1)</u>	05/26/2015	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Keiauonsinps							
	Director	10% Owner	Officer	Other				

Eveyln Robert C 14100 SOUTHWEST FREEWAY, SUITE 500 SUGAR LAND, TX 77478

SVP Strategy and Solutions

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Signatures

Robert C. 01/31/2006 Evelyn

**Signature of Date
Reporting Person

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).

This option was canceled for a cash payment representing the difference between the exercise price of the option and the tender offer (1) price of \$6.20 per share pursuant to the terms of that certain Agreement and Plan of Merger dated December 19, 2005 by and among NEON Systems, Inc. Progress Software Corporation and Noble Acquisition Corp.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2