

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

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

(Print or Type Responses)

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|--|---|--|
| 1. Name and Address of Reporting Person* Russell, Dana C. (Last) (First) (Middle) 1800 S. Novell Place, SJF-1-100 (Street) Provo, UT 84606 (City) (State) (Zip) USA | 2. Issuer Name and Ticker or Trading Symbol Novell, Inc. NOVL 3. Date of Earliest Transaction Required to be Reported (Month/Day/Year) 01/10/2008 4. If Amendment, Date Original Filed (Month/Day/Year) | 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 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 |
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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 | | | |
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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).

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 control number.

(Over)
SEC 1474 (06-03)

FORM 4 (continued)

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 Securities (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 | Title | Amount or Number of Shares | | | | |
| | | | | | | | | | | | | | | | |
| Stock Option to buy | \$3.92 | 01/10/2008 | | D | | 6,000.00 | | (1) | 09/10/2011 | Common Stock | 6,000.00 | (1) | 26,000.00 | D | |
| Stock Option to buy | \$3.94 | 01/10/2008 | | A | | 6,000.00 | | (1) | 09/10/2011 | Common Stock | 6,000.00 | (1) | 6,000.00 | D | |
| Stock Option to buy | \$10.68 | 01/10/2008 | | D | | 13,000.00 | | (2) | 01/07/2012 | Common Stock | 13,000.00 | (2) | 0.00 | D | |
| Stock Option to buy | \$10.68 | 01/10/2008 | | A | | 13,000.00 | | (2) | 01/07/2012 | Common Stock | 13,000.00 | (2) | 13,000.00 | D | |
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Explanation of Responses:

See attached statement

** 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.

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.

** Signature of Reporting Person
/s/Elizabeth DePaola authorized signer for
Dana C. Russell

01/14/2008

Date

Russell, Dana C.

1800 S. Novell Place, SJF-1-100

Provo, UT 84606

USA

Explanation of responses:

- (1) A Form 3 filed on June 28, 2006 reported the grant on September 10, 2001 (the GRANT DATE) of a non-qualified stock option to purchase 32,000 shares of common stock having an exercise price of \$3.92 per share (the OPTION). The OPTION vested with respect to 26,000 of the 32,000 shares prior to January 1, 2005. In connection with Novell's voluntary review of its historical stock-based compensation practices, it was determined that the fair market value of Novell's common stock on the GRANT DATE was \$3.94. On January 10, 2008, the OPTION was amended with respect to 6,000 shares that had not vested as of January 1, 2005 by increasing the exercise price to \$3.94, the fair market value of Novell's common stock on the GRANT DATE, in order to avoid adverse tax consequences under Section 409A of the Internal Revenue Code. The amendment is reported in this Form 4 as a deemed cancellation and regrant of a replacement option to purchase 6,000 shares of Novell common stock.
- (2) A Form 3 filed on June 28, 2006 reported the grant on January 7, 2004 (the GRANT DATE) of a non-qualified stock option to purchase 13,000 shares of common stock having an exercise price of \$10.68 per share (the ORIGINAL OPTION). In order to avoid adverse tax consequences under Section 409A of the Internal Revenue Code, the reporting person and Novell agreed to cancel the ORIGINAL OPTION and grant a replacement option (the REPLACEMENT OPTION). The REPLACEMENT OPTION has all of the same terms as the ORIGINAL OPTION, except the grant date is January 10, 2008.