

Grierson Stewart  
Form 4  
September 10, 2009

**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 \*  
Grierson Stewart

(Last) (First) (Middle)

C/O ARCSIGHT, INC., 5 RESULTS WAY

(Street)

CUPERTINO, CA 95014

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ArcSight Inc [ARST]

3. Date of Earliest Transaction (Month/Day/Year)  
09/09/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

\_X\_ 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	(D)	Price			
Common Stock	09/09/2009		M		25,000	A	\$ 0.16	37,132 <sup>(1)</sup>	I	See Footnote 1
Common Stock	09/09/2009		M		5,000	A	\$ 0.24	42,132 <sup>(2)</sup>	I	See Footnote 2
Common Stock	09/09/2009		S		30,000	D	\$ 22.6625 <sup>(3)</sup>	12,132 <sup>(4)</sup>	I	See Footnote 4

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

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(9-02)

**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. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 0.16	09/09/2009		M	25,000	<u>(5)</u> 07/15/2013	Common Stock	25,000
Stock Option (Right to Buy)	\$ 0.24	09/09/2009		M	5,000	<u>(5)</u> 01/21/2014	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grierson Stewart C/O ARCSIGHT, INC. 5 RESULTS WAY CUPERTINO, CA 95014			Chief Financial Officer	

## Signatures

/s/ Tram T. Phi as attorney-in-fact for Stewart  
Grierson

09/10/2009

\*\*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).

(1) Represents 27,132 shares held by the reporting person and 10,000 shares held by the reporting person and his spouse.

(2) Represents 32,132 shares held by the reporting person and 10,000 shares held by the reporting person and his spouse.

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- Represents a weighted average sales price per share. The prices actually received ranged from \$22.31 to \$22.89. The reporting person has
- (3) provided to the issuer, and will provide to the SEC staff or any security holder of the issuer, information regarding the number of shares sold at each price within the range.
  - (4) Represents 2,132 shares held by the reporting person and 10,000 shares held by the reporting person and his spouse.
  - (5) The option is 100% vested and exercisable.

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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