

JONES RICHARD H
Form 4
September 30, 2011

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 *
JONES RICHARD H

2. Issuer Name and Ticker or Trading Symbol
PEGASYSTEMS INC [PEGA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

C/O PEGASYSTEMS INC., 101 MAIN STREET

09/28/2011

(Street)

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

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

CAMBRIDGE, MA 02142

(City) (State) (Zip)

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 Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|------------------|
| | | | | (A) or (D) | Price | | | |
| Common Stock | 09/28/2011 | | S | 300 ⁽¹⁾ | D | \$ 35.24 | 399,758 | D |
| Common Stock | 09/29/2011 | | S | 100 ⁽¹⁾ | D | \$ 34.11 | 399,658 | D |
| Common Stock | 09/29/2011 | | M | 50,000 | A | \$ 4.01 ⁽³⁾ | 449,658 | D |
| Common Stock | 09/29/2011 | | F | 6,149 | D | \$ 32.61 | 443,509 | D |
| Common Stock | | | | | | | 54,577 | I |
| | | | | | | | | Grantor Retained |

Annuity Trust

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

Persons who 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.

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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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Options - Right to Acquire | \$ 4.01 | 09/29/2011 | | M | 50,000 | 01/05/2002 ⁽⁴⁾ 10/05/2011 | Common Stock 50,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| JONES RICHARD H C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142 | X | | | |

Signatures

/s/ Shawn Hoyt, Esq., as Attorney-In-Fact for Richard H. Jones
 09/30/2011
 **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) Sold pursuant to a pre-arranged stock trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended.

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- (2) Represents the weighted average of sale prices on 9/28/2011, ranging from \$35.13 to \$35.30.
- (3) Represents the exercise price of the Stock Option referenced in Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (4) Options vest over a 4-year period in equal quarterly installments beginning on 1/5/2002.

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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