

KOUNINIS EFSTATHIOS A
Form 4
March 07, 2018

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 *
KOUNINIS EFSTATHIOS A

(Last) (First) (Middle)

C/O PEGASYSTEMS INC., 1
ROGERS STREET

(Street)

CAMBRIDGE, MA 02142

(City) (State) (Zip)

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

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

03/05/2018

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

VP of Finance & CAO

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 03/05/2018 | | M | | 1,687 | A | \$ 20.49 |
| Common Stock | 03/05/2018 | | F | | 912 ⁽¹⁾ | D | \$ 58.8 |
| Common Stock | 03/05/2018 | | S | | 775 | D | \$ 58.85 ⁽²⁾ |
| Common Stock | 03/05/2018 | | M | | 196 | A | \$ 20.05 |
| Common Stock | 03/05/2018 | | F | | 105 ⁽¹⁾ | D | \$ 58.75 |

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| | | | | | | | |
|--------------|------------|---|--------------------|---|-------------------------|----------------------|---|
| Common Stock | 03/05/2018 | S | 91 | D | \$ 58.75 | 2,055 | D |
| Common Stock | 03/05/2018 | M | 1,296 | A | \$ 11.05 | 3,351 | D |
| Common Stock | 03/05/2018 | F | 554 ⁽¹⁾ | D | \$ 58.9 | 2,797 | D |
| Common Stock | 03/05/2018 | S | 742 | D | \$ 58.93 | 2,055 | D |
| Common Stock | 03/06/2018 | M | 2,250 | A | \$ 44.3 | 4,305 | D |
| Common Stock | 03/06/2018 | F | 1,833 | D | \$ 60.1 | 2,472 | D |
| Common Stock | 03/06/2018 | S | 417 | D | \$ 60.12 ⁽³⁾ | 2,055 | D |
| Common Stock | 03/06/2018 | S | 500 | D | \$ 60.53 | 1,555 ⁽⁴⁾ | D |

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code V | (A) (D) | Date Exercisable Expiration Date | Title |
| Restricted Stock Units ⁽⁵⁾ | \$ 0 | 03/05/2018 | | A | 2,558 ⁽⁶⁾ | 03/05/2019 ⁽⁷⁾ | Common Stock |
| Stock Options | \$ 58.95 | 03/05/2018 | | A | 8,233 ⁽⁸⁾ | 03/05/2019 03/05/2028 | Common Stock |
| Restricted Stock Units ⁽⁵⁾ | \$ 0 | 03/05/2018 | | A | 890 ⁽⁹⁾ | 03/05/2019 ⁽⁷⁾ | Common Stock |

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| | | | | | | | |
|---------------|----------|------------|---|-------|----------------------------|------------|--------------|
| Stock Options | \$ 20.49 | 03/05/2018 | M | 1,687 | 03/02/2016 ⁽¹⁰⁾ | 03/02/2025 | Common Stock |
| Stock Options | \$ 20.05 | 03/05/2018 | M | 196 | 03/07/2015 ⁽¹¹⁾ | 03/07/2024 | Common Stock |
| Stock Options | \$ 11.05 | 03/05/2018 | M | 1,296 | 12/12/2013 ⁽¹²⁾ | 12/12/2022 | Common Stock |
| Stock Options | \$ 44.3 | 03/06/2018 | M | 2,250 | 03/02/2018 ⁽¹³⁾ | 03/02/2027 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KOUNINIS EFSTATHIOS A C/O PEGASYSYSTEMS INC. 1 ROGERS STREET CAMBRIDGE, MA 02142 | | | VP of Finance & CAO | |

Signatures

/s/ Janet Mesrobian, Esq., Attorney-In-Fact for Efstathios Kouninis
 03/07/2018
 **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 the exercise price of the Stock Options referenced in Table II and Mr. Kouninis' tax liability, which were paid by way of withholding by Pegasystems Inc. (the "Company") of shares of equal value.
- (2) Represents the weighted average of the sale prices on March 5, 2018, ranging from \$58.83 to \$58.85.
- (3) Represents the weighted average of the sale prices on March 6, 2018, ranging from \$60.12 to \$60.13.
- (4) Does not include shares of common stock subject to unvested restricted stock units and options awards.
- (5) Each restricted stock unit represents the right to receive, following vesting, one share of the Company's common stock.
- (6) RSUs will vest 20% on March 5, 2019, with the remaining 80% vesting in equal quarterly installments over the remaining four years.
- (7) Once vested, the shares of common stock are not subject to expiration.
- (8) Stock options will vest 20% on March 5, 2019, with the remaining 80% vesting in equal quarterly installments over the remaining four years.
 Represents election by the individual, as part of the Company's Corporate Incentive Plan (CICP), to receive half of their annual bonus in RSUs, based upon the Company's stock price as of March 5, 2018. All RSUs vest 100% on March 5, 2019, subject to attainment of the CICP performance threshold funding for the year ending December 31, 2018.
- (10) Options vested 20% on March 2, 2016, with the remaining 80% vesting in equal quarterly installments over the next four years.
- (11) Options vested 20% on March 7, 2015, with the remaining 80% vesting in equal quarterly installments over the next four years.
- (12) Options vested 20% on December 12, 2013, with the remaining 80% vesting in equal quarterly installments over the next four years.
- (13) Options vest 20% on March 2, 2018, and the remaining 80% vest in equal quarterly installments over the remaining four years.

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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