

OHALLORAN JAMES P  
 Form 4  
 November 30, 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 \*  
 OHALLORAN JAMES P

(Last) (First) (Middle)

C/O PEGASYSTEMS INC., 101  
 MAIN 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)  
 11/25/2009

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)

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	11/25/2009		M		10,000	A	\$ 18.56 (1)
Common Stock	11/25/2009		F		6,113	D	\$ 30.37
Common Stock	11/25/2009		M		10,000	A	\$ 10.64 (2)
Common Stock	11/25/2009		F		3,504	D	\$ 30.37
	11/25/2009		M		10,000	A	80,975

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Common Stock						\$ 4.13 (3)		
Common Stock	11/25/2009		F	1,359	D	\$ 30.37	79,616	D
Common Stock	11/25/2009		M	5,000	A	\$ 9.1 (4)	84,616	D
Common Stock	11/25/2009		F	1,498	D	\$ 30.37	83,118	D
Common Stock	11/25/2009		M	15,000	A	\$ 8.6 (5)	98,118	D
Common Stock	11/25/2009		F	4,246	D	\$ 30.37	93,872	D
Common Stock	11/25/2009		M	15,000	A	\$ 5.9 (6)	108,872	D
Common Stock	11/25/2009		F	2,915	D	\$ 30.37	105,957	D
Common Stock	11/25/2009		S	10,500	D	\$ 30.22	95,457	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	Amount or Number of Shares
Stock Options	\$ 18.56	11/25/2009		M	10,000	02/25/2000 <sup>(7)</sup>	02/25/2010	Common Stock	10,000
Stock Options	\$ 10.64	11/25/2009		M	10,000	06/04/2002 <sup>(8)</sup>	06/04/2012	Common Stock	10,000
Stock Options	\$ 4.13	11/25/2009		M	10,000	04/17/2003 <sup>(9)</sup>	04/17/2013	Common Stock	10,000

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Stock Options	\$ 9.1	11/25/2009	M	5,000	03/10/2004 <sup>(10)</sup>	03/10/2014	Common Stock	5,000
Common Stock	\$ 8.6	11/25/2009	M	15,000	06/03/2004 <sup>(11)</sup>	06/03/2014	Common Stock	15,000
Common Stock	\$ 5.9	11/25/2009	M	15,000	06/02/2005 <sup>(12)</sup>	06/02/2015	Common Stock	15,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OHALLORAN JAMES P C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142	X			

## Signatures

/s/ Shawn Hoyt, Esq., as Attorney-In-Fact for James P. O'Halloran

11/30/2009

\_\_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 the exercise price of the Stock Option referenced in line 1 of Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (2) Represents the exercise price of the Stock Option referenced in line 2 of Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (3) Represents the exercise price of the Stock Option referenced in line 3 of Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (4) Represents the exercise price of the Stock Option referenced in line 4 of Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (5) Represents the exercise price of the Stock Option referenced in line 5 of Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (6) Represents the exercise price of the Stock Option referenced in line 6 of Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (7) All options were fully vested on 2/25/2000.
- (8) All options were fully vested on 06/4/2002.
- (9) All options were fully vested on 04/17/2003.
- (10) All options were fully vested on 03/10/2004.
- (11) All options were fully vested on 6/3/2004.
- (12) All options were fully vested on 06/2/2005.

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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