

Trefler Leon
Form 4
December 14, 2010

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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 *
Trefler Leon

(Last) (First) (Middle)
101 MAIN STREET
(Street)

CAMBRIDGE, MA 02142

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
12/11/2010

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)

Senior Vice President, Sales

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	12/11/2010		M	147 ⁽¹⁾	\$ 0	523	D
Common Stock	12/11/2010		F	47	\$ 35.25	476	D
Common Stock	12/13/2010		M	130	\$ 0	606	D
Common Stock	12/13/2010		F	42	\$ 35.25	564	D

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

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- (3) Once vested, the shares of common stock are not subject to expiration.
- (4) Represents 5% quarterly vesting on December 13, 2010. Original grant was 2,600 RSUs, with 20% vested on December 13, 2008, and the remaining 80% vesting 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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