

KOUNINIS EFSTATHIOS A
 Form 4
 May 13, 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 *
KOUNINIS EFSTATHIOS A

(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)
05/12/2011

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	05/12/2011		M		4,000 A \$ 10.41 (1)	4,717	D
Common Stock	05/12/2011		F		1,985 D \$ 39.83	2,732	D
Common Stock	05/12/2011		S		2,015 D \$ 39.19	717	D
Common Stock	05/12/2011		M		436 A \$ 11.88 (2)	1,153	D
	05/12/2011		F		229 D	924	D

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Common Stock					\$ 39.83		
Common Stock	05/12/2011	S	207	D	\$ 39.19	717	D
Common Stock	05/12/2011	S	717	D	\$ 39.19	0	D

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option - Right to Acquire	\$ 10.41 ⁽¹⁾	05/12/2011		M	4,000	04/24/2009 ⁽³⁾ 04/24/2018	Common Stock	10,000	
Stock Options - Right to Acquire	\$ 11.88 ⁽²⁾	05/12/2011		M	436	12/11/2009 ⁽⁴⁾ 12/11/2018	Common Stock	970	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KOUNINIS EFSTATHIOS A C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142			VP of Finance; CAO	

Signatures

/s/ Shawn Hoyt, Esq., as Attorney-In-Fact for Efstathios A.
Kouninis

05/13/2011

__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) 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.
 - (2) 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.
 - (3) All options vest 20% on April 24, 2009, and the remaining 80% vest in equal quarterly installments vests over the remaining four years.
 - (4) All options vest 20% on December 11, 2009, and the remaining 80% vest in equal quarterly installments vests 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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