

KOUNINIS EFSTATHIOS A  
 Form 4  
 December 15, 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**

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)  
**C/O PEGASYSTEMS INC., 101 MAIN STREET**

3. Date of Earliest Transaction (Month/Day/Year)  
**12/14/2011**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 VP of Finance; CAO

(Street)  
**CAMBRIDGE, MA 02142**

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

**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	12/15/2011		M	16 <sup>(1)</sup>	\$ 0	256	D
Common Stock	12/15/2011		F	6	\$ 30.38	250	D
Common Stock	12/15/2011		M	16 <sup>(4)</sup>	\$ 0	266	D
Common Stock	12/15/2011		F	6	\$ 30.38	260	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 Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option - Right to Acquire	\$ 30.38	12/14/2011		A	1,513	<u>(5)</u>	12/14/2021	Common Stock	1,513
Restricted Stock Units <sup>(2)</sup>	\$ 0	12/14/2011		A	582	<u>(6)</u>	12/14/2021	Common Stock	582
Restricted Stock Units <sup>(2)</sup>	\$ 0	12/15/2011		M	<u>16</u> <sup>(1)</sup>	12/15/2010 <sup>(1)</sup>	<u>(3)</u>	Common Stock	315
Restricted Stock Units <sup>(2)</sup>	\$ 0	12/15/2011		M	<u>16</u> <sup>(4)</sup>	06/15/2011 <sup>(4)</sup>	<u>(3)</u>	Common Stock	324

## 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

12/15/2011

          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 5% quarterly vesting on December 15, 2011. Original grant was 315 RSUs, with 20% vested on December 15, 2010, and the remaining 80% vesting in equal quarterly installments over the remaining four years.
- (2) Each restricted stock unit represents the right to receive, following vesting, one share of Pegasystems Inc.'s common stock.
- (3) Once vested, the shares of common stock are not subject to expiration.
- (4) Represents 5% quarterly vesting on December 15, 2011. Original grant was 324 RSUs, with 20% vested on June 15, 2011, and the remaining 80% vesting in equal quarterly installments over the remaining four years.
- (5) All options vest 20% on December 14, 2012, and the remaining 80% vest in equal quarterly installments over the remaining four years.
- (6) All RSUs vest 20% on December 14, 2012, 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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