PEGASYSTEMS INC Form 4

March 17, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or

Form 5 obligations

may continue. See Instruction

SECURITIES Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

2. Issuer Name and Ticker or Trading

PEGASYSTEMS INC [PEGA]

3. Date of Earliest Transaction

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Last)

(City)

Security

(Instr. 3)

(Print or Type Responses)

1. Name and Address of Reporting Person * Hughes Edward L

(First)

(Zip)

(Middle)

C/O PEGASYSTEMS INC., 101 MAIN STREET

(Street)

4. If Amendment, Date Original

Symbol

Filed(Month/Day/Year)

(Month/Day/Year)

03/13/2008

OMB APPROVAL

OMB Number:

3235-0287

Expires:

January 31, 2005

Estimated average burden hours per

response...

0.5

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

Director 10% Owner X_ Officer (give title Other (specify

6. Individual or Joint/Group Filing(Check

Senior VP, Global Sales

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

CAMBRIDGE, MA 02142

1. Title of 2. Transaction Date 2A. Deemed

(State)

(Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code

Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

(A)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership Form: Direct (T) (Instr. 4)

7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number Transaction Derivative Date Code Securities

6. Date Exercisable and Expiration (Month/Day/Year)

7. Title and Amou Underlying Securi (Instr. 3 and 4)

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(Instr. 3) Price of Derivative Security

(Month/Day/Year) (Instr. 8) Acquired (A) or Disposed of

(D) (Instr. 3, 4, and 5)

Code V (A) (D) Date Exercisable Expiration Date Title

Other

Amo Nun

> of Shar

> > 5,0

Restricted

03/13/2009(3) 03/13/2009(3) Stock <u>(2)</u> 03/13/2008 A 5,034

Common Stock

Units (1)

Reporting Owners

Reporting Owner Name / Address

Relationships

Officer Director 10% Owner

Hughes Edward L C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142

Senior VP, Global Sales

Signatures

/s/ Shawn Hoyt, Esq., as Attorney-In-Fact for Edward L. Hughes

03/17/2008

**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).
- Represents the election by Mr. Hughes to receive 50% of his target 2008 bonus under the 2008 Section 16 Corporate Incentive Compensation Plan in the form of Restricted Stock Units ("RSUs") rather than in the form of cash.
- (2) Each restricted stock unit represents the right to receive, following vesting, one share of Pegasystems Inc.'s common stock.
- All RSUs will vest in full on March 13, 2009, subject to attainment of Threshold funding under the 2008 Section 16 Corporate Incentive Compensation Plan. No vesting will occur, and the award will expire, if Threshold funding is not attained.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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