

Dynes Craig A
Form 4
December 15, 2009

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Dynes Craig 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)
12/11/2009

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)
CFO and Senior VP

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 or (D) Price | | |
| Common Stock | 12/11/2009 | | M | | 1,174 (1) | A | \$ 0 1,174 D |
| Common Stock | 12/11/2009 | | F | | 491 | D | \$ 29.7 683 D |
| Common Stock | 12/13/2009 | | M | | 400 (2) | A | \$ 0 1,083 D |
| Common Stock | 12/13/2009 | | F | | 168 | D | \$ 29.7 915 D |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | | |
| Restricted Stock Units ⁽³⁾ | \$ 0 | 12/11/2009 | | M | 1,174 ⁽¹⁾ | 12/11/2009 ⁽¹⁾ | 12/11/2018 | Common Stock | 1,174 |
| Restricted Stock Units ⁽³⁾ | \$ 0 | 12/13/2009 | | M | 400 ⁽²⁾ | 12/13/2008 ⁽²⁾ | 12/13/2017 | Common Stock | 400 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Dynes Craig A C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142 | | | CFO and Senior VP | |

Signatures

/s/ Shawn Hoyt, Esq., as Attorney-in-Fact for Craig A.

Dynes

12/15/2009

**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 20% vesting on December 11, 2009. Original grant was 5,870 RSUs, with 20% vested on December 11, 2009, and the remaining 80% vesting in equal quarterly installments over the remaining four years.

(2)

Edgar Filing: Dynes Craig A - Form 4

Represents quarterly vesting of December 13, 2007 RSU grant. Original grant was 8,000 RSUs, with 20% vested on December 13, 2008, and the remaining 80% vesting in equal quarterly installments over the remaining four years.

(3) Each restricted stock unit represents the right to receive, following vesting, one share of Pegasystems Inc.'s common stock.

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.