

PYLE MICHAEL R  
Form 4  
May 11, 2009

**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 \*  
PYLE MICHAEL R

(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)  
05/07/2009

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)  
Senior VP, Engineering

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (D)  | Price   |
| Common Stock                    | 05/07/2009                           |  | M                              |   | 50,000  | A  | \$ 18.5625<br>(1)                                     |
| Common Stock                    | 05/07/2009                           |  | F                              |   | 43,144  | D  | \$ 23.23  |
| Common Stock                    | 05/07/2009                           |  | M                              |   | 40,000  | A  | \$ 4.1135<br>(1)                                      |
| Common Stock                    | 05/07/2009                           |  | F                              |   | 19,962  | D  | \$ 23.23  |
| Common Stock                    | 05/07/2009                           |  | S                              |   | 20,038  | D  | \$ 22.8<br>(2)  |

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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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Options                              | \$ 18.5625   | 05/07/2009                           |  | M                              | 50,000  | 05/25/2000 <sup>(3)</sup> 02/25/2010                     | Common Stock  | 50,000                     |
| Stock Options                              | \$ 4.1135  | 05/07/2009                           |  | M                              | 40,000  | 07/18/2003 <sup>(4)</sup> 04/18/2013                     | Common Stock  | 40,000                     |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                        |       |
|--|---------------|-----------|------------------------|-------|
|  | Director      | 10% Owner | Officer                | Other |
| PYLE MICHAEL R<br>C/O PEGASYSTEMS INC.<br>101 MAIN STREET<br>CAMBRIDGE, MA 02142 |               |           | Senior VP, Engineering |       |

## Signatures

/s/ Shawn Hoyt, Esq., as Attorney-In-Fact for Michael R. Pyle 05/11/2009

\_\_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 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 weighted average of sale prices on 05/07/2009, ranging from \$22.68 to \$22.935.
- (3) Vests over a 4-year period in equal quarterly installments beginning on 02/25/2000.
- (4) Vests over a 5-year period in equal quarterly installments beginning on 04/18/2003.

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