

Dynes Craig A
Form 4
November 20, 2009

FORM 4

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

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

OMB APPROVAL

OMB
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(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)
11/18/2009

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

CFO and Senior VP

6. Individual or Joint/Group Filing(Check
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

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)
Common Stock	11/18/2009		M	V Amount (A) or (D) Price 10,000 A \$ 8.16 (1)	14,456	D	
Common Stock	11/18/2009		F	5,670 D \$ 31.81	8,786	D	
Common Stock	11/18/2009		M	5,600 A \$ 12 (2)	14,386	D	
Common Stock	11/18/2009		F	3,569 D \$ 31.81	10,817	D	
Common Stock	11/18/2009		S	10,817 D \$ 32 (3)	0	D	

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Stock Options	\$ 8.16	09/18/2009		M	10,000	12/07/2006 ⁽⁴⁾ 09/07/2016	Common Stock 100,000
Stock Options	\$ 12	09/18/2009		M	5,600	12/13/2008 ⁽⁵⁾ 12/13/2017	Common Stock 16,000

Reporting Owners

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

Signatures

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

09/20/2009

__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 line 1 of 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 line 2 of Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (3) Represents the weighted average of sales prices on 11/18/09, ranging from \$31.78 to \$32.14.
- (4) Vests over a five-year period in equal quarterly installments.

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- (5) Vests over a five-year period, with 20% vesting after 1 year and the remaining 80% vesting 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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