KOUNINIS EFSTATHIOS A

Form 4

September 18, 2012

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005

10% Owner

_ Other (specify

0.5

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

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

burden hours per response...

Estimated average

See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading **KOUNINIS EFSTATHIOS A** Issuer Symbol PEGASYSTEMS INC [PEGA] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director X_ Officer (give title)

C/O PEGASYSTEMS INC., 1 ROGERS STREET

> (Street) 4. If Amendment, Date Original

09/15/2012

6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line)

below)

X Form filed by One Reporting Person Form filed by More than One Reporting Person

VP of Finance & CAO

CAMBRIDGE, MA 02142

| (City) | (State) | Zip) Table | e I - Non-D | erivative | Secur | ities Acq | uired, Disposed of | f, or Beneficial | y Owned |
|--------------------------------------|---|------------|--|---------------|------------------|-------------|--|--|---|
| 1.Title of Security (Instr. 3) | 2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year) | | 3. 4. Securitie Transaction(A) or Disp Code (Instr. 3, 4 a (Instr. 8) | | | | 5. Amount of Securities Beneficially Owned Following | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| ~ | | | Code V | Amount | (A) or (D) | Price | Reported Transaction(s) (Instr. 3 and 4) | | |
| Common Stock | 09/15/2012 | | M | 16 <u>(1)</u> | A | \$0 | 496 | D | |
| Common Stock | 09/15/2012 | | F | 6 | D | \$ 29.84 | 490 | D | |
| Common Stock | 09/15/2012 | | M | 16 (4) | A | \$ 0 | 506 | D | |
| Common Stock | 09/15/2012 | | F | 6 | D | \$ 29.84 | 500 | D | |

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

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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. Transactic Code (Instr. 8) | 5. onNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | 7. Title and A Underlying S (Instr. 3 and | Securities | 8. P Der Sec (Ins |
|---|---|---|---|--|---|-----------------------|--------------------|---|--|----------------------------|
| | | | | Code V | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Restricted Stock Units (2) | \$ 0 | 09/15/2012 | | M | 16 (1) | 12/15/2010(1) | <u>(3)</u> | Common Stock | 315 | |
| Restricted Stock Units (2) | \$ 0 | 09/15/2012 | | M | 16 (4) | 06/15/2011 <u>(4)</u> | (3) | Common Stock | 324 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | |
|--------------------------------|---------------|-----------|---------|-------|--|--|
| | Director | 10% Owner | Officer | Other | | |

KOUNINIS EFSTATHIOS A C/O PEGASYSTEMS INC. 1 ROGERS STREET CAMBRIDGE, MA 02142

VP of Finance & CAO

Signatures

/s/ Janet Mesrobian, Esq., as Attorney-In-Fact for Efstathios A. Kouninis

09/18/2012

**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 September 15, 2012. 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.

Reporting Owners 2

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- (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 September 15, 2012. 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.

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.