

KOUNINIS EFSTATHIOS A
 Form 4
 December 15, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 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 *
KOUNINIS EFSTATHIOS 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)
12/14/2011

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)
VP of Finance; CAO

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 (A) or (D) Price		
Common Stock	12/15/2011		M		16 ⁽¹⁾ A \$ 0 256	D	
Common Stock	12/15/2011		F		6 D \$ 30.38 250	D	
Common Stock	12/15/2011		M		16 ⁽⁴⁾ A \$ 0 266	D	
Common Stock	12/15/2011		F		6 D \$ 30.38 260	D	

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

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 December 15, 2011. 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.
- (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 December 15, 2011. 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.
- (5) All options vest 20% on December 14, 2012, and the remaining 80% vest in equal quarterly installments over the remaining four years.
- (6) All RSUs vest 20% on December 14, 2012, and the remaining 80% vest 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.