

PEGASYSTEMS INC
Form 3
June 01, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Hoyt Shawn		(Month/Day/Year)	PEGASYSTEMS INC [PEGA]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
		05/30/2006		
101 MAIN STREET			(Check all applicable)	6. Individual or Joint/Group Filing(Check Applicable Line)
	(Street)		<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	<input checked="" type="checkbox"/> Form filed by One Reporting Person
CAMBRIDGE,Â MAÂ 02142			<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input type="checkbox"/> Form filed by More than One Reporting Person
(City)	(State)	(Zip)	(give title below)	(specify below)
			Interim CFO	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	11	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

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				Shares		(I) (Instr. 5)	
Stock Option	02/15/2005 ⁽¹⁾	11/15/2014	Common Stock	40,000	\$ 7.5	D	Â
Stock Option	12/08/2005 ⁽²⁾	12/08/2015	Common Stock	12,000	\$ 8.67	D	Â
Stock Option	08/30/2006 ⁽³⁾	05/30/2016	Common Stock	25,000	\$ 7.05	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hoyt Shawn 101 MAIN STREET CAMBRIDGE, MA 02142	Â	Â	Â Interim CFO	Â

Signatures

/s/ Shawn Hoyt 06/01/2006

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

- All options vest on a five year quarterly vesting schedule beginning on the date of grant, with the first vesting date occurring on February 15, 2006. On April 6, 2005, the Board of Directors voted to accelerate all outstanding options held by employees that had an exercise price greater than the fair market value of the company's common stock on that date, which resulted in these options vesting in full.
- (1) All options were fully vested on the grant date. The strike price represents a 20% premium to the fair market value of the issuer's common stock on the grant date, measured as the average of the high and low trading prices of the common stock on such date.
 - (2) All options vest on a five year quarterly vesting schedule beginning on the date of grant, with the first vesting date occurring on August 30, 2006.
 - (3)

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.