KOUNINIS EFSTATHIOS A

Form 4

March 16, 2011

# 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 Number: | 3235-0287 |
| Expires: | January 31, 2005 |
| Estimated average burden hours per response... | 0.5 |

(Print or Type Responses)

| 1. Name and Address of Reporting Person * <br> KOUNINIS EFSTATHIOS A | 2. Issuer Name **and** Ticker or Trading Symbol <br> PEGASYSTEMS INC [PEGA] | 5. Relationship of Reporting Person(s) to Issuer <br><br> (Check all applicable) |
|---|---|---|
| (Last) (First) (Middle) <br><br> C/O PEGASYSTEMS INC., 101 MAIN STREET | 3. Date of Earliest Transaction (Month/Day/Year) <br> 03/15/2011 | _____ Director          _____ 10% Owner <br> __X__ Officer (give title _____ Other (specify below)          below) <br> VP of Finance; CAO |
| (Street) | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) <br> _X_ Form filed by One Reporting Person <br> ___ Form filed by More than One Reporting Person |
| CAMBRIDGE, MA 02142 | | |
| (City)     (State)     (Zip) | | |

### 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 | (A) or (D) | Price | | | |
| Common Stock | 03/15/2011 | | M | | 15 (1) | A | $ 0 | 723 | D | |
| Common Stock | 03/15/2011 | | F | | 6 | D | $ 35.48 | 717 | D | |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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. 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) | | 8. Pr Deri Secu (Inst |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| | | | | Code | V | (A) | (D) | | | | | | | |
| Restricted Stock Units (2) | $ 0 | 12/15/2010 | | M | | | | 15 (1) | | 12/15/2010(1) | (3) | Common Stock | 15 | $ |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| KOUNINIS EFSTATHIOS A C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142 | | | VP of Finance; CAO | |

# Signatures

| /s/ Shawn Hoyt, Esq., as Attorney-In-Fact for Efstathios A. Kouninis | 03/16/2011 |
|---|---|
| **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 March 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.

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.