

PEGASYSTEMS INC
Form 3
June 01, 2006

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

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 Reilly James T		(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 (give title below)	<input type="checkbox"/> Form filed by More than One Reporting Person
(City)	(State)	(Zip)	Chief Accounting Officer	

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	12,898	D	Â
Common Stock	1,000	I	UGMA Account

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	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Stock Option	12/05/2000 ⁽¹⁾	09/05/2010	Common Stock	35,000	\$ 4.48	D	Â
Stock Option	06/08/2001 ⁽²⁾	03/08/2011	Common Stock	7,800	\$ 4.38	D	Â
Stock Option	03/08/2002 ⁽³⁾	03/08/2011	Common Stock	3,400	\$ 4.38	D	Â
Stock Option	11/22/2001 ⁽⁴⁾	08/22/2011	Common Stock	10,000	\$ 3.23	D	Â
Stock Option	07/18/2003 ⁽⁵⁾	04/18/2013	Common Stock	20,000	\$ 4.11	D	Â
Stock Option	02/11/2005 ⁽⁶⁾	11/11/2014	Common Stock	24,000	\$ 7.33	D	Â
Stock Option	12/08/2005 ⁽⁷⁾	12/08/2015	Common Stock	12,000	\$ 8.67	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Reilly James T 101 MAIN STREET CAMBRIDGE, MA 02142	Â	Â	Â Chief Accounting Officer	Â

Signatures

/s/ Shawn Hoyt, as Attorney-in-Fact 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).
- (1) All options vest on a four year quarterly vesting schedule beginning on the date of grant, with the first vesting date occurring on December 5, 2000.
 - (2) All options vest on a four year quarterly vesting schedule beginning on the date of grant, with the first vesting date occurring on June 8, 2001.
 - (3) All options vested on March 8, 2002.
 - (4) All options vest on a four year quarterly vesting schedule beginning on the date of grant, with the first vesting date occurring on November 22, 2001.
 - (5) All options vest on a five year quarterly vesting schedule beginning on the date of grant, with the first vesting date occurring on July 18, 2003.
 - (6)

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All options vest on a five year quarterly vesting schedule beginning on the date of grant, with the first vesting date occurring on February 11, 2005. 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.

- (7) 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.

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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