

PEGASYSTEMS INC
Form 4
November 06, 2007

FORM 4

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

OMB APPROVAL

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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 *
Reilly James T

(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)
11/02/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)

Chief Accounting Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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 ⁽¹⁾	11/02/2007		M		2,800	A	\$ 4.38
Common Stock	11/02/2007		M		3,400	A	\$ 4.38
Common Stock	11/02/2007		M		10,000	A	\$ 3.23
Common Stock	11/02/2007		M		18,000	A	\$ 4.11
Common Stock	11/02/2007		M		24,000	A	\$ 7.33

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Common Stock 11/02/2007 M 12,000 A \$ 8.67 83,098 D

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

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(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. Amount or Number of Shares
Stock Option - Right to Acquire	\$ 4.38	11/02/2007		M	2,800	<u>(2)</u> 03/08/2011	Common Stock	2,800
Stock Option - Right to Acquire	\$ 4.38	11/02/2007		M	3,400	<u>(2)</u> 03/08/2011	Common Stock	3,400
Stock Option - Right to Acquire	\$ 3.23	11/02/2007		M	10,000	<u>(2)</u> 08/22/2011	Common Stock	10,000
Stock Option - Right to Acquire	\$ 4.11	11/02/2007		M	18,000	<u>(2)</u> 04/18/2013	Common Stock	18,000
Stock Option - Right to Acquire	\$ 7.33	11/02/2007		M	24,000	<u>(2)</u> 11/11/2014	Common Stock	24,000
Stock Option - Right to Acquire	\$ 8.67	11/02/2007		M	12,000	<u>(2)</u> 12/08/2015	Common Stock	12,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Reilly James T C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142			Chief Accounting Officer	

Signatures

/s/ Shawn Hoyt, Esq., as Attorney-in-Fact for James T. Reilly	11/06/2007
<small>**Signature of Reporting Person</small>	<small>Date</small>

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) Effective November 6, 2007, Mr. Reilly will no longer be a Section 16 Officer.
 - (2) All options are exercisable.

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.