

KOUNINIS EFSTATHIOS A
 Form 4
 August 14, 2012

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 *
KOUNINIS EFSTATHIOS A

2. Issuer Name and Ticker or Trading Symbol
PEGASYSTEMS INC [PEGA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
**C/O PEGASYSTEMS INC., 101
 MAIN STREET**

3. Date of Earliest Transaction (Month/Day/Year)
08/12/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

VP of Finance & CAO

(Street)
CAMBRIDGE, MA 02142

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	08/12/2012		M		47 ⁽³⁾ A \$ 0 446	D	
Common Stock	08/12/2012		F		15 D \$ 27.85 431	D	

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

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SEC 1474 (9-02)

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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)	Amount or Number of Shares
Restricted Stock Units ⁽¹⁾	\$ 0	08/12/2011		A	235	08/12/2012 ⁽⁴⁾ ⁽²⁾	Common Stock	235
Restricted Stock Units ⁽¹⁾	\$ 0	08/12/2012		M	47 ⁽³⁾	08/12/2012 ⁽³⁾⁽⁴⁾ ⁽²⁾	Common Stock	235

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/ Janet Mesrobian, Esq., as Attorney-In-Fact for Efstathios A. Kouninis 08/14/2012

**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) Each restricted stock unit represents the right to receive, following vesting, one share of Pegasystems Inc.'s common stock.
- (2) Once vested, the shares of common stock are not subject to expiration.
- (3) Represents 20% vesting on August 12, 2012. Original grant was 235 RSUs, with 20% vested on August 12, 2012, and the remaining 80% vesting in equal quarterly installments over the remaining four years.
- (4) All RSUs vest 20% on August 12, 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.

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