PEGASYSTEMS INC

Form 4

December 14, 2010

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

OMB APPROVAL

3235-0287

Expires:

January 31, 2005

0.5

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if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

Check this box

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

1(b).

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading KRA DOUGLAS I Issuer Symbol PEGASYSTEMS INC [PEGA] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner Other (specify _X__ Officer (give title C/O PEGASYSTEMS INC., 101 12/11/2010 below) MAIN STREET Senior VP, Global Services (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting CAMBRIDGE, MA 02142 Person

(City)	(State)	Zip) Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	y 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. Securi on(A) or Di (Instr. 3,	ispose 4 and (A) or	d of (D)	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)
Common Stock	12/11/2010		M	294 <u>(1)</u>	` /	\$ 0	5,649	D	
Common Stock	12/11/2010		F	94	D	\$ 35.25	5,555	D	
Common Stock	12/13/2010		M	400 (4)	A	\$ 0	5,955	D	
Common	12/13/2010		F	127	D	\$	5 828	D	

35.25

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

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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. 5. Number Transactionof Code Derivative (Instr. 8) Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisals Expiration Date (Month/Day/Year		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units (2)	\$ 0	12/11/2010		M	294 (1)	12/11/2009(1)	(3)	Common Stock	294
Restricted Stock Units (2)	\$ 0	12/13/2010		M	400 (4)	12/13/2008(4)	(3)	Common Stock	400

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

KRA DOUGLAS I C/O PEGASYSTEMS INC. 101 MAIN STREET CAMBRIDGE, MA 02142

Senior VP, Global Services

Signatures

/s/ Janet Mesrobian, Esq., as Attorney-In-Fact for Douglas
I. Kra

12/14/2010

**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 December 11, 2010. Original grant was 5870 RSUs, with 20% vested on December 11, 2009, and the remaining 80% vesting in equal quarterly installments over the remaining four years.

Reporting Owners 2

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- (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.
- (4) Represents 5% quarterly vesting on December 13, 2010. Original grant was 8,000 RSUs, with 20% vested on December 13, 2008, and the remaining 80% vesting 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. 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.