

PEGASYSTEMS INC
Form 4
March 09, 2017

FORM 4

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

OMB APPROVAL

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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 *
PYLE MICHAEL R

(Last) (First) (Middle)

**C/O PEGASYSTEMS INC., 1
ROGERS 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)
03/07/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Senior VP, Engineering

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 | 03/07/2017 | | M | | \$ 0 31,726 | D | |
| Common Stock | 03/07/2017 | | F | | \$ 44.25 30,061 (1) | D | |
| Common Stock | 03/07/2017 | | S | | \$ 44.87 28,193 (2) (3) | D | |
| Common Stock | 03/07/2017 | | M | | \$ 0 28,633 (4) | D | |
| | 03/07/2017 | | F | | \$ 43.5 28,490 | D | |

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| | | | | | | | |
|--------------|------------|---|----------------------|---|-------------------------|--------|---|
| Common Stock | | | | | | | |
| Common Stock | 03/07/2017 | M | 280 ⁽⁵⁾ | A | \$ 0 | 28,770 | D |
| Common Stock | 03/07/2017 | F | 91 | D | \$ 43.5 | 28,679 | D |
| Common Stock | 03/08/2017 | S | 8,000 | D | \$ 44.11 ⁽⁶⁾ | 20,679 | D |
| Common Stock | 03/09/2017 | M | 1,606 ⁽⁷⁾ | A | \$ 0 | 22,285 | D |
| Common Stock | 03/09/2017 | F | 522 | D | \$ 43.85 | 21,763 | D |
| Common Stock | 03/09/2017 | M | 4,132 ⁽⁸⁾ | A | \$ 0 | 25,895 | D |
| Common Stock | 03/09/2017 | F | 1,341 | D | \$ 43.85 | 24,554 | 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Options | \$ 6 | 03/07/2017 | | M | 4,000 | 12/13/2008 | 12/13/2017 | Common Stock | 32,000 ⁽⁹⁾ |
| Restricted Stock Options ⁽¹⁰⁾ | \$ 0 | 03/07/2017 | | M | 440 ⁽⁴⁾ | 03/07/2015 | ⁽¹¹⁾ | Common Stock | 8,798 |
| | \$ 0 | 03/07/2017 | | M | | 03/07/2013 | ⁽¹¹⁾ | | 5,596 |

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| | | | | | | | | |
|--|------|------------|---|---------------------|------------|-------------|--------------|-------|
| Restricted Stock Units ⁽¹⁰⁾ | | | | 280 <u>(5)</u> | | | Common Stock | |
| Restricted Stock Units ⁽¹⁰⁾ | \$ 0 | 03/09/2017 | M | 1,606 <u>(7)</u> | 03/09/2017 | <u>(11)</u> | Common Stock | 8,033 |
| Restricted Stock Units ⁽¹⁰⁾ | \$ 0 | 03/09/2017 | M | 4,132 <u>(8)</u> | 03/09/2017 | <u>(11)</u> | Common Stock | 4,132 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PYLE MICHAEL R C/O PEGASYSTEMS INC. 1 ROGERS STREET CAMBRIDGE, MA 02142 | | | Senior VP, Engineering | |

Signatures

/s/ Janet Mesrobian, Esq., Attorney-In-Fact for Michael Pyle 03/09/2017

__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 the exercise price of the Stock Options referenced in Table II and Mr. Pyle's tax liability, which were paid by way of withholding by the Company of shares of equal value.
- (2) Sold pursuant to a pre-arranged stock trading plan under rule 10b5-1 of the Securities Exchange Act of 1934, as amended.
- (3) Represents the weighted average of the sale prices on March 7, 2017, ranging from \$44.55 to \$45.25.
- (4) Represents 5% vesting on March 7, 2017. The original grant was 8,798 restricted stock units, with 20% vesting on March 7, 2015, and the remaining 80% vesting in equal quarterly installments over the remaining 4 years.
- (5) Represents 5% vesting on March 7, 2017. The original grant was 5,596 restricted stock units, with 20% vesting on March 7, 2013, and the remaining 80% vesting in equal quarterly installments over the remaining 4 years.
- (6) Represents the weighted average of the sale prices on March 8, 2017, ranging from \$43.75 to \$44.40.
- (7) Represents 20% vesting on March 9, 2017. The original grant was 8,033 restricted stock units, with 20% vesting on March 9, 2017, and the remaining 80% vesting in equal quarterly installments over the remaining 4 years.
- (8) Represents 100% vesting on March 9, 2017. The original grant was 4,132 restricted stock units, which were granted on March 9, 2016. As part of the Company's 2016 Corporate Incentive Plan (CICP), Mr. Pyle elected to receive half of his annual bonus in RSUs.
- (9) Options vested 20% on December 13, 2008, with the remaining 80% vesting in equal quarterly installments over the next four years.
- (10) Each restricted stock unit represents the right to receive, following vesting, one share of Pegasystems Inc.'s common stock.
- (11) Once vested, the shares of common stock are not subject to expiration.

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