

Dynes Craig A
 Form 4
 February 26, 2013

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 *
 Dynes Craig A

(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)
 02/22/2013

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)
 CFO and Senior VP

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 Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Price				
Common Stock	02/22/2013		M	V	10,400	A	\$ 12 (3)	18,244	D
Common Stock	02/22/2013		F		6,590	D	\$ 27.32	11,654	D
Common Stock	02/22/2013		S		3,810	D	\$ 27.25 (1)	7,844	D
Common Stock	02/22/2013		M		4,696	A	\$ 11.88 (3)	12,540	D
	02/22/2013		F		2,892	D		9,648	D

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Common Stock					\$			
					27.18			
Common Stock	02/22/2013		S	1,804	D	\$	27.14	7,844
						(2)		D

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. 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 - Right to Acquire	\$ 12 ⁽³⁾	02/22/2013		M	10,400	12/13/2008 ⁽⁴⁾ 12/13/2017	Common Stock 16,000
Stock Option - Right to Acquire	\$ 11.88 ⁽³⁾	02/22/2013		M	4,696	12/11/2009 ⁽⁵⁾ 12/11/2018	Common Stock 5,870

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dynes Craig A C/O PEGASYSTEMS INC. 1 ROGERS STREET CAMBRIDGE, MA 02142			CFO and Senior VP	

Signatures

/s/ Janet Mesrobian, Esq., as Attorney-in-Fact for Craig A.
Dynes

02/26/2013

__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 weighted average of sale prices on 2/22/2013, ranging from \$27.24 to \$27.33.
- (2) Represents the weighted average of sale prices on 2/22/2013, ranging from \$27.07 to \$27.19.
- (3) Represents the exercise price of the Stock Option referenced in Table II, which was paid by way of the withholding by the Company of shares with a value equal to the exercise price.
- (4) All options vest 20% on December 13, 2008, and the remaining 80% vest in equal quarterly installments over the remaining four years.
- (5) All options vest 20% on December 11, 2009, 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. 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.