

STILLWELL KENNETH
Form 4
May 03, 2018

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 *
STILLWELL KENNETH

(Last) (First) (Middle)

C/O PEGASYSTEMS INC, ONE
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)
05/01/2018

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, SVP

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 or Price | | |
| Common Stock | 05/01/2018 | | M | | 2,187 (1) | A | \$ 0 9,863 D |
| Common Stock | 05/01/2018 | | F | | 973 | D | \$ 61.05 8,890 D |
| Common Stock | 05/01/2018 | | M | | 3,500 | A | \$ 27.74 12,390 D |
| Common Stock | 05/01/2018 | | F | | 2,443 | D | \$ 60.8 (2) 9,947 D |
| Common Stock | 05/01/2018 | | S | | 2,057 (3) | D | \$ 60.93 (4) 7,890 D |

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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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Restricted Stock Units ⁽⁵⁾ | \$ 0 | 05/01/2018 | | M | 2,187 ⁽¹⁾ | 08/01/2017 ⁽⁶⁾ | Common Stock | 2,187 |
| Stock Options | \$ 27.74 | 05/01/2018 | | M | 3,500 | 08/01/2017 ⁽⁷⁾ 08/01/2026 | Common Stock | 3,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------|-------|
| | Director | 10% Owner | Officer | Other |
| STILLWELL KENNETH C/O PEGASYSTEMS INC ONE ROGERS STREET CAMBRIDGE, MA 02142 | | | CFO, SVP | |

Signatures

/s/ Janet Mesrobian, Esq., Attorney-In-Fact for Kenneth Stillwell 05/03/2018

**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% vesting on May 1, 2018. The original grant was 43,732 restricted stock units, with 20% vesting on August 1, 2017, and the remaining 80% vesting in equal quarterly installments over the remaining 4 years.
- (2)

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Represents the exercise price of the Stock Options referenced in Table II and Mr. Stillwell's tax liability, which were paid by way of withholding by the Company of shares of equal value.

- (3) Sold pursuant to a pre-arranged stock trading plan under rule 10b5-1 of the Securities Exchange Act of 1934, as amended.

Represents the weighted average of the sale prices, ranging from \$60.78 to \$61.35. The individual has provided the Company, and

- (4) undertakes to provide to the staff of the Securities and Exchange Commission or any security holder of the Company, upon request, full information regarding the number of shares sold at each separate price.

- (5) Each restricted stock unit represents the right to receive, following vesting, one share of the issuer's common stock.

- (6) Once vested, the shares of common stock are not subject to expiration.

- (7) Options vested 20% on August 1, 2017, with the remaining 80% vesting in equal quarterly installments over the next 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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