

Mayer Max Alan  
Form 4  
March 17, 2009

**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 \*  
Mayer Max Alan

(Last) (First) (Middle)  
101 MAIN STREET  
(Street)

CAMBRIDGE, MA 02142

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/13/2009

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 Vice President

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	03/13/2009		M	5,566 (1) A \$ 0	10,679	D	
Common Stock	03/13/2009		F	1,768 D \$ 16.38	8,911	D	
Common Stock	03/13/2009		S	3,798 D \$ 16.97	5,113	D	
Common Stock	03/13/2009		M	400 (2) A \$ 0	5,513	D	
Common Stock	03/13/2009		F	127 D \$ 16.38	5,386	D	

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Common Stock      03/13/2009      S      273      D      \$ 16.97      5,113      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)	Amount or Number of Shares
Restricted Stock Units	\$ 0	03/13/2009		M	5,566 <sup>(1)</sup>	03/13/2009 03/13/2018	Common Stock	5,566
Restricted Stock Units	\$ 0	03/13/2009		M	400 <sup>(2)</sup>	03/13/2009 12/13/2017	Common Stock	400
Restricted Stock Units	\$ 0	03/13/2009		A	3,700 <sup>(3)</sup>	03/10/2010 03/13/2019	Common Stock	3,700

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Mayer Max Alan 101 MAIN STREET CAMBRIDGE, MA 02142			Senior Vice President	

## Signatures

/s/ Shawn Hoyt, Esq., as Attorney-In-Fact for Max Alan Mayer      03/17/2009

\_\_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) All RSUs vested in full on March 13, 2009.
- (2) Represents quarterly vesting of December 13, 2007 RSU grant. 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.
- (3) Represents election by individual, as part of the Company's Corporate Incentive Compensation Plan, to receive half of his annual bonus in RSUs, based upon the Company's stock price as of March 13, 2009. All RSUs will fully vest on March 13, 2010.

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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