

Grierson Stewart
Form 4
September 10, 2009

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Grierson Stewart

(Last) (First) (Middle)

C/O ARCSIGHT, INC., 5 RESULTS
WAY

(Street)

CUPERTINO, CA 95014

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
ArcSight Inc [ARST]

3. Date of Earliest Transaction
(Month/Day/Year)
09/09/2009

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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)
			Code	V	Amount	(A) or (D) Price			
Common Stock	09/09/2009		M		25,000	A \$ 0.16	37,132 <u>(1)</u>	I	See Footnote 1
Common Stock	09/09/2009		M		5,000	A \$ 0.24	42,132 <u>(2)</u>	I	See Footnote 2
Common Stock	09/09/2009		S		30,000	D \$ 22.6625 <u>(3)</u>	12,132 <u>(4)</u>	I	See Footnote 4

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)		8. Date of Acquisition or Disposition (Instr. 3, 4, and 5)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 0.16	09/09/2009		M		25,000		<u>(5)</u>	07/15/2013	Common Stock	25,000
Stock Option (Right to Buy)	\$ 0.24	09/09/2009		M		5,000		<u>(5)</u>	01/21/2014	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Grierson Stewart C/O ARCSIGHT, INC. 5 RESULTS WAY CUPERTINO, CA 95014	Chief Financial Officer

Signatures

/s/ Tram T. Phi as attorney-in-fact for Stewart
Grierson 09/10/2009

__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) Represents 27,132 shares held by the reporting person and 10,000 shares held by the reporting person and his spouse.

(2) Represents 32,132 shares held by the reporting person and 10,000 shares held by the reporting person and his spouse.

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- Represents a weighted average sales price per share. The prices actually received ranged from \$22.31 to \$22.89. The reporting person has
- (3) provided to the issuer, and will provide to the SEC staff or any security holder of the issuer, information regarding the number of shares sold at each price within the range.
 - (4) Represents 2,132 shares held by the reporting person and 10,000 shares held by the reporting person and his spouse.
 - (5) The option is 100% vested and exercisable.

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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