

Henry Reed T
Form 4
June 22, 2009

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 *
Henry Reed T

(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)
06/18/2009

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)

Sr. VP of Marketing

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)
			Code	V	Amount	(D)	Price
Common Stock	06/18/2009		M		22,079	A	\$ 10
Common Stock	06/18/2009		S		22,079	D	\$ 17.5
Common Stock	06/18/2009		M		7,921	A	\$ 8.5
Common Stock	06/18/2009		S		7,921	D	\$ 17.5075
							(1)

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. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 10	06/18/2009		M	22,079	⁽²⁾ 08/06/2017	Common Stock	22,079
Stock Option (Right to Buy)	\$ 8.5	06/18/2009		M	7,921	⁽³⁾ 06/17/2018	Common Stock	7,921

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Henry Reed T C/O ARCSIGHT, INC. 5 RESULTS WAY CUPERTINO, CA 95014			Sr. VP of Marketing	

Signatures

/s/ Tram T. Phi as attorney-in-fact for Reed T.
Henry

06/22/2009

**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).
Represents a weighted average sales price per share. The prices actually received ranged from \$17.50 to \$17.52. The reporting person has 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.

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- (2) Option vested and became exercisable as to 1/4th of the shares on May 7, 2008 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter; provided that such vesting is subject to acceleration upon a corporate transaction.
- (3) Option vested and became exercisable as to 1/4th of the shares on May 1, 2009 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter; provided that such vesting is subject to acceleration upon a corporate transaction.

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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