

Ryles Scott A
 Form 4
 December 14, 2009

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 Ryles Scott A

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 12/14/2009

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

C/O ARCSIGHT, INC., 5 RESULTS WAY

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

CUPERTINO, CA 95014

(City) (State) (Zip)

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				
				Code	V	Amount			
Common Stock	12/14/2009		M	5,000	A	\$ 0.24	5,765 ⁽¹⁾	I	See Footnote 1
Common Stock	12/14/2009		S	5,000	D	\$ 23.9938	765 ⁽³⁾	I	See Footnote 3

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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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)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 0.24	12/14/2009		M	5,000	⁽⁴⁾ 01/21/2014	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Ryles Scott A C/O ARCSIGHT, INC. 5 RESULTS WAY CUPERTINO, CA 95014		X		

Signatures

/s/ Tram T. Phi as attorney-in-fact for Scott A.
Ryles

12/14/2009

__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 165 shares acquired by the Scott A. Ryles & Marcia T. Ryles Trust in a pro rata distribution by Kleiner, Perkins, Caulfield & Byers X-A, L.P. on June 23, 2009, and 5,600 shares held by the reporting person.

(2) Represents a weighted average sales price per share. The prices actually received ranged from \$23.99 to \$24.00. 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.

(3) Represents 165 shares acquired by the Scott A. Ryles & Marcia T. Ryles Trust in a pro rata distribution by Kleiner, Perkins, Caulfield & Byers X-A, L.P. on June 23, 2009, and 600 shares held by the reporting person.

(4) 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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