

BITSTREAM INC
Form 4
May 10, 2007

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 *
KITSOS COSTAS

(Last) (First) (Middle)

C/O BITSTREAM INC., 245 FIRST STREET, 17TH FLOOR

(Street)

CAMBRIDGE, MA 02142-1270

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BITSTREAM INC [BITS]

3. Date of Earliest Transaction (Month/Day/Year)
05/09/2007

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)

Vice Pres., Engineering

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 (A) or (D) Price | | |
| Class A Common Stock | 05/09/2007 | | X | | 1,200 A \$ 2.031 | 1,200 | D |
| Class A Common Stock | 05/09/2007 | | S | | 1,200 D \$ 8.1 | 0 | D |
| Class A Common Stock | 05/10/2007 | | X | | 1,200 A \$ 2.031 | 1,200 | D |
| Class A Common | 05/10/2007 | | X | | 7,600 A \$ 2.0312 | 7,600 | D |

Stock

Class A

Common 05/10/2007 S 8,800 D \$ 8.022 0 D

Stock

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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Incentive Stock Option | \$ 2.031 | 05/09/2007 | | X | 1,200 | 11/04/2002 11/04/2009 | Class A Common Stock | 1,200 |
| Incentive Stock Option | \$ 2.031 | 05/10/2007 | | W | 1,200 | 11/04/2002 11/04/2009 | Class A Common Stock | 1,200 |
| Incentive Stock Option | \$ 2.0312 | 05/10/2007 | | X | 7,600 | 12/11/2003 12/11/2003 | Class A Common Stock | 7,600 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KITSOS COSTAS C/O BITSTREAM INC. 245 FIRST STREET, 17TH FLOOR CAMBRIDGE, MA 02142-1270 | | | Vice Pres., Engineering | |

Signatures

Costas Kitsos

05/10/2007

**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).

The reporting person beneficially owns the following options to purchase Class A Common Stock of the Company (i) an option granted on 11/04/1999 to purchase 300 shares at \$2.031 per share, which option expires on 11/04/2009 and is fully vested; (ii) an option granted on 12/11/2000 to purchase 42,400 shares at \$2.0312 per share, which option expires on 12/11/2010 and is fully vested; (iii) an option (1) granted on 11/05/2001 to purchase 20,000 shares at \$3.96 of which is fully vested; (iv) an option granted on 08/02/2004 to purchase 25,000 shares at \$1.59, which option expires on 08/02/2014 and of which 16,666 is vested and 8,334 vest on 08/02/2007; and (v) an option granted on 08/03/06 to purchase 25,000 shares at \$4.45, which option expires 08/03/2016 and of which 6,250 vest each on 08/03/07, 08/03/08, 08/03/09, and 08/03/10.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.