

CHAGNON ANNA M
Form 4
December 06, 2010

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 *
CHAGNON ANNA M

(Last) (First) (Middle)
C/O BITSTREAM INC., 500
NICKERSON ROAD
(Street)

MARLBOROUGH, MA 01752-4695

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
12/02/2010

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)
President and CEO

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| Class A Common Stock | 12/02/2010 | | X | 42,899 | A \$ 2.031 | 124,549 (1) | D (1) |

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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 Security (Instr. 3 and 4) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|--------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Employee Stock Option(right to buy) | \$ 2.031 | 12/02/2010 | | X | 42,899 | 12/11/2003 | 12/11/2010 | Class A Common Stock | 42,899 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CHAGNON ANNA M C/O BITSTREAM INC. 500 NICKERSON ROAD MARLBOROUGH, MA 01752-4695 | | | President and CEO | |

Signatures

Anna M. Chagnon 12/06/2010

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).
All non-restricted shares are held jointly with spouse, Michael Chagnon. The balance includes 4,000 restricted shares granted on 05/24/2007 which expires on 05/24/2017 and which vests in equal amounts of 2,000 shares on 05/24/2011 and 05/24/2012; 6,000 restricted shares granted on 05/20/2008 which expires on 05/20/2018 and which vests in equal amounts of 2,000 shares on 05/20/2011, (1) 05/20/2012 and 05/20/2013; 8,000 restricted shares granted on 08/19/2009 which expires on 08/19/2019 and which vests in equal amounts of 2,000 shares each on 08/19/2011, 08/19/2012, 08/19/2013, and 08/19/2014; and 9,500 restricted shares granted on 08/12/2010 which expires on 08/12/2020 and which vests over 5 years in 19 equal amounts of 500 shares on each quarterly anniversary date from the date of grant beginning with 2/12/2011.

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.