

KITSOS COSTAS
Form 4
August 18, 2010

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/12/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice Pres., Engineering

(Street)
MARLBOROUGH, MA 01752-4695

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

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Class A Common Stock	08/12/2010		A		5,000	A	\$ 0
					20,300 ⁽²⁾	D	

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

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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 Securities (Instr. 3 and 4)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 6.95	08/12/2010		A	15,000	<u>(1)</u>	08/12/2020			Class A Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

KITSOS COSTAS
C/O BITSTREAM INC.
500 NICKERSON ROAD
MARLBOROUGH, MA 01752-4695

Vice Pres., Engineering

Signatures

Costas Kitsos 08/18/2010

**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).

(1) The option vests in four equal annual installments of 3,750 each on 08/12/2011, 08/12/2012, 08/12/2013, and 08/12/2014.

(2) Balance includes 2,000 restricted shares granted on 05/24/2007 which expires on 05/24/2017 and which vests in equal amounts of 1,000 shares on 05/24/2011 and 05/24/2012; 3,000 restricted shares granted on 05/20/2008 which expires on 05/20/2018 and which vests in equal amounts of 1,000 shares on 05/20/2011, 05/20/2012 and 05/20/2013; 5,000 restricted shares granted on 08/19/2009 which expires on 08/19/2019 and which vests in equal amounts of 1,000 shares each on 08/19/2010, 08/19/2011, 08/19/2012, 08/19/2013, and 08/19/2014; and 5,000 restricted shares granted on 08/12/2010 which expires on 08/12/2020 and which vests over 5 years in 20 equal amounts of 250 shares on each quarterly anniversary date from the date of grant.

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.