

BITSTREAM INC
Form 4
May 18, 2007

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 *
Ying Charles

(Last) (First) (Middle)

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

(Street)

CAMBRIDGE, MA 02142

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/17/2007

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)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Class A Common Stock | 05/17/2007 | | X | 20,000 A | \$ 2 145,291 | D | |
| Class A Common Stock | 05/17/2007 | | S | 20,000 D | \$ 7.5272 125,291 | 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)

| 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | | | | |
| Stock Option | \$ 2 | 05/17/2007 | | X | 20,000 | 08/04/1998 | 08/03/2007 | Class A Common Stock | 20,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Ying Charles C/O BITSTREAM INC. 245 FIRST STREET, 17TH FLOOR CAMBRIDGE, MA 02142 | | X | | |

Signatures

Charles Ying 05/18/2007

**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).

(1) The reporting person beneficially owns the following options to purchase Class A Common Stock of the Company (i) an option granted on 08/04/1997 to purchase 130,000 shares at \$2.00 per share, which option expires on 08/04/2007 and is fully vested; (ii) an option granted on 08/05/1997 to purchase 150,000 shares at \$2.00 per share, which option expires on 08/05/2007 and is fully vested; (iii) an option granted on 04/22/1998 to purchase 150,000 shares at \$1.875 per share, which option expires on 04/22/2008 and is fully vested; (iv) an option granted on 11/05/2001 to purchase 20,000 shares at \$3.96 per share, which expires on 11/02/2011 and is fully vested; (v) an option granted on 09/29/2004 to purchase 10,000 shares at \$1.61 per share, which expires on 09/29/2014 and of which 6,666 is vested and 3,334 vest on 09/29/2007; and (vi) an option granted on 08/03/2006, which expires on 08/03/2016 and of which 2,500 shares equally vest each on 08/03/2007, 08/03/2008, 08/03/2009, and 08/03/2010.

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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