

FALCONSTOR SOFTWARE INC
Form 4
January 05, 2016

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
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 *
HALE MARTIN M JR

2. Issuer Name and Ticker or Trading Symbol
FALCONSTOR SOFTWARE INC
[FALC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
17 STATE STREET, SUITE 3230
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/31/2015

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

NEW YORK, NY 10004

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	Price	
Common Stock	12/31/2015		J		127,437	A 1.53 (1)	726,474 I See footnotes (2) (3)
Common Stock	12/31/2015		J		99,908	A 1.91 (1)	826,382 I See footnotes (2) (3)
Common Stock							20,000 D

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

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HALE MARTIN M JR 17 STATE STREET, SUITE 3230 NEW YORK, NY 10004	X	X		See Remarks

Signatures

/s/ Martin M.
Hale, Jr. 01/05/2016

**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 shares of common stock (the "Common Stock") of Falconstor Software Inc. (the "Issuer") were issued to HCP-FVA, LLC, a Delaware limited liability company ("HCP-FVA"), upon conversion of the accrued dividends due and owing to HCP-FVA, in respect of the Series A Preferred Stock of the Issuer (the "Series A Preferred Stock") held by HCP-FVA, for the quarterly periods ending June 30, 2015 and September 30, 2015 in accordance with the Certificate of Designations, Preferences and Rights of the Series A Preferred Stock.
 - (2) The shares of Common Stock reported herein are held by Hale Capital Partners, LP, a Delaware limited partnership ("HCP"), and HCP-FVA.
 - (3) Martin Hale, Jr. ("MH") is the Chief Executive Officer of HCP. MH is also (i) the sole owner and managing member of Hale Fund Partners, LLC, a Delaware limited liability company ("HFP"), the general partner of HCP and (ii) the sole owner and Chief Executive Officer of Hale Fund Management, LLC, a Delaware limited liability company ("HFM"). HFM is (i) the general partner of Hale Capital Management, LP ("HCM"), the manager of HCP and (ii) the manager of HCP-FVA. Each of MH, HFP, HFM and HCM disclaims

Edgar Filing: FALCONSTOR SOFTWARE INC - Form 4

beneficial ownership of the securities reported herein, except to the extent of his or its pecuniary interest.

Remarks:

MH serves as a director on the board of directors of the Issuer as a representative of HCP-FVA. Accordingly, HCP, HFP, HFM

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.