

RUBENSTEIN BARRY

Form 4

January 26, 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 \*  
RUBENSTEIN BARRY

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)

3. Date of Earliest Transaction (Month/Day/Year)  
01/22/2010

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

68 WHEATLEY ROAD

(Street)

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

BROOKVILLE, NY 11545

(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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/22/2010		P		11,610	A	\$ 3.35	860,867	I	By Woodland Partners <sup>(1)</sup>
Common Stock	01/22/2010		P		10,119	A	\$ 3.31	870,986	I	By Woodland Partners <sup>(1)</sup>
Common Stock	01/22/2010		P		6,271	A	\$ 3.28	877,257	I	By Woodland Partners <sup>(1)</sup>
Common Stock	01/25/2010		P		412	A	\$ 3.28	877,669	I	By Woodland

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Common Stock	01/25/2010	P	2,009	A	\$ 3.29	879,678	I	Partners <sup>(1)</sup> By Woodland Partners <sup>(1)</sup>
Common Stock	01/25/2010	P	27,579	A	\$ 3.3	907,257	I	By Woodland Partners <sup>(1)</sup>
Common Stock						941,000	D <sup>(2)</sup>	
Common Stock						187,900	I	By Brookwood Partners, L.P. <sup>(3)</sup>
Common Stock						131,323	I	By Seneca Ventures <sup>(4)</sup>
Common Stock						1,258	I	By Spouse
Common Stock						436,800	I	By Woodland Venture Fund <sup>(5)</sup>

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

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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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 6)
				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
RUBENSTEIN BARRY 68 WHEATLEY ROAD BROOKVILLE, NY 11545		X		

## Signatures

/s/ Rubenstein,  
Barry 01/26/2010

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) Held by Woodland Partners. Mr. Rubenstein is a general partner of Woodland Partners. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (2) Includes 100,000 shares held jointly by Barry Rubenstein and Marilyn Rubenstein (spouse).
- (3) Held by Brookwood Partners, L.P. Mr. Rubenstein is a general partner of Brookwood Partners, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (4) Held by Seneca Ventures. Mr. Rubenstein is a general partner of Seneca Ventures. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (5) Held by Woodland Venture Fund. Mr. Rubenstein is a general partner of Woodland Venture Fund. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.

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.