

FALCONSTOR SOFTWARE INC  
Form 4  
August 09, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
DOLIN LAWRENCE S

(Last) (First) (Middle)

C/O NOTEWORTHY MEDICAL SYSTEMS, INC., 6001 LANDERHAVEN DRIVE - UNIT D

(Street)

MAYFIELD HEIGHTS, OH 44124

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
05/08/2007

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/08/2007		A	(A) or (D) Code V Amount Price A 5,000 (1) \$ 0	5,000	D	
Common Stock					40,000	I	By Corporation

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

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SEC 1474 (9-02)

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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)	8.
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					Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
					Code	V	(A)	(D)			
Stock Option (right to buy)	\$ 11.1	05/08/2007		A			10,000	(2)	05/08/2017	Common Stock	10,000

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

DOLIN LAWRENCE S  
C/O NOTEWORTHY MEDICAL SYSTEMS, INC.  
6001 LANDERHAVEN DRIVE - UNIT D  
MAYFIELD HEIGHTS, OH 44124

X

## Signatures

/s/ Dolin, 08/06/2007  
Lawrence S.

\_\_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).

- Represents shares of Restricted Stock granted under the Company's 2007 Outside Directors Equity Compensation Plan. The restrictions
- (1) shall lapse as to 33% of the shares on the date of each of the Company's next two Annual Meetings of Stockholders. The restrictions shall lapse as to the remaining 34% of the shares on the date of the Company's 2010 Annual Meeting of Stockholders.
  - (2) 33% of the options shall vest on the date of each of the Company's next two Annual Meetings of Stockholders. The remaining 34% of the options shall vest on the date of the Company's 2010 Annual Meeting of Stockholders.

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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