

CHAGNON ANNA M

Form 4

March 05, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
CHAGNON ANNA M

(Last) (First) (Middle)

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

(Street)

CAMBRIDGE, MA 02142-1270

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
03/01/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

President and CEO

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 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
Class A Common Stock	03/01/2007		X		20,000	A	\$ 2.031
					41,501	D	

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

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information contained in this form are not
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SEC 1474
(9-02)

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
Stock Option	\$ 2.031	03/01/2007		X		20,000		11/04/2001	11/04/2009	Class A Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
CHAGNON ANNA M C/O BITSTREAM INC. 245 FIRST STREET, 17TH FLOOR CAMBRIDGE, MA 02142-1270	President and CEO

Signatures

Anna M.
Chagnon

03/05/2007

__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 11/04/1999 to purchase 20,000 shares at \$2.031 per share, which option expires on 11/04/2009 and is fully vested;(ii) an option granted on 12/11/2000 to purchase 42,899 shares at \$2.0312 per share, which option expires 12/11/2010 and is fully vested;(iii)an option to purchase 40,000 shares at \$3.96 per share, which option expires 11/05/2011 and is fully vested;(iv)an option granted on 02/13/2004 to purchase 100,000 shares at \$3.00 per share, which option expires on 02/13/2014, and of which 66,666 are vested, and 33,334 vest on 02/13/2007;

(2) (v) an option granted on 08/02/2004 to purchase 60,000 shares at \$1.59 per share, which option expires 08/02/2014 and of which 40,000 is vested and 20,000 vest on 08/02/2007; and (vi) an option granted on 08/03/2006 to purchase 50,000 at \$4.45, which option expires on 08/03/2016 and of which 12,500 vest each on 08/03/07, 08/03/08, 08/03/09 and 08/03/10.

(3) included is the reporting person's indirect ownership of the following options to purchase Class A Common Stock of the Company (i) an option granted on 01/25/1999 to purchase 750 shares at \$1.59 per share, which option expires on 01/25/2009 and is fully vested; (ii) an option granted on 10/24/2000 to purchase 750 shares at \$2.50 per share, which option expires on 10/24/2010 and is fully vested;(iii)an option granted on 11/05/2001 to purchase 3,000 shares at \$3.960 per share, which option expires on 11/05/2011 and is fully vested; and (iv)an option granted on 11/06/2006 to purchase 2,700 shares at \$7.970 per share, which option expires on 11/06/2016 and of which 675 vest each on 11/06/07, 11/06/08, 11/06/09, and 11/06/10. Indirect ownership of options held of record by Michael Chagnon, an employee of the Company and Ms. Chagnon's spouse.

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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