

CHAGNON ANNA M

Form 4

September 27, 2010

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., 500
NICKERSON ROAD**

(Street)

MARLBOROUGH, MA 01752-4695

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
09/23/2010

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 below) ____ Other (specify 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 (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		
Class A Common Stock	09/23/2010		S		100	D	\$ 6.75	109,900 <u>(1)</u>	D <u>(1)</u>
Class A Common Stock	09/24/2010		S		29,000	D	\$ 6.805	80,900 <u>(1)</u>	D <u>(1)</u>
Class A Common Stock	09/27/2010		X		750	A	\$ 2.5	81,650 <u>(1)</u>	D <u>(1)</u>

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

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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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option(right to buy) ⁽²⁾	\$ 2.5	09/27/2010		X		750 <u>(2)</u>		10/24/2003	10/24/2010	Class A Common Stock	750 ⁽²⁾

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
CHAGNON ANNA M C/O BITSTREAM INC. 500 NICKERSON ROAD MARLBOROUGH, MA 01752-4695	President and CEO

Signatures

Anna M.
Chagnon

09/27/2010

⁽²⁾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) All non-restricted shares are held jointly with spouse, Michael Chagnon. The balance includes 4,000 restricted shares granted on 05/24/2007 which expires on 05/24/2017 and which vests in equal amounts of 2,000 shares on 05/24/2011 and 05/24/2012; 6,000 restricted shares granted on 05/20/2008 which expires on 05/20/2018 and which vests in equal amounts of 2,000 shares on 05/20/2011, 05/20/2012 and 05/20/2013; 8,000 restricted shares granted on 08/19/2009 which expires on 08/19/2019 and which vests in equal amounts of 2,000 shares each on 08/19/2011, 08/19/2012, 08/19/2013, and 08/19/2014; and 10,000 restricted shares granted on

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08/12/2010 which expires on 08/12/2020 and which vests over 5 years in 20 equal amounts of 500 shares on each quarterly anniversary date from the date of grant.

- (2) Option exercise by Michael Chagnon, an employee of the Company and Ms. Chagnon's spouse, for which Ms. Chagnon may be considered a beneficial owner.

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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