

CHAGNON ANNA M  
Form 4  
September 27, 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 \*  
CHAGNON ANNA M

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
C/O BITSTREAM INC., 500  
NICKERSON ROAD

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
President and CEO

(Street)  
MARLBOROUGH, MA 01752-4695

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount or Price   |  |   |
| Class A Common Stock            | 09/23/2010                           |  | S                              |   | 100   | D  | \$ 6.75 109,900 <sup>(1)</sup> D <sup>(1)</sup>       |
| Class A Common Stock            | 09/24/2010                           |  | S                              |   | 29,000  | D  | \$ 6.805 80,900 <sup>(1)</sup> D <sup>(1)</sup>       |
| Class A Common Stock            | 09/27/2010                           |  | X                              |   | 750   | A  | \$ 2.5 81,650 <sup>(1)</sup> D <sup>(1)</sup>         |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Employee Stock Option(right to buy) <sup>(2)</sup> | \$ 2.5   | 09/27/2010                           |  | X                              | 750 <sup>(2)</sup>  | 10/24/2003 10/24/2010                                    | Class A Common Stock 750 <sup>(2)</sup>                       |

## Reporting Owners

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

## Signatures

Anna M. Chagnon  
09/27/2010  
\_\_\_\_\_  
\*\*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) 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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