

LAM WAYNE
Form 4
August 12, 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 *
LAM WAYNE

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)
07/07/2010

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

C/O FALCONSTOR SOFTWARE, INC., 2 HUNTINGTON QUADRANGLE

(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

MELVILLE, NY 11747-

(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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	07/07/2010		S		3,537	D	\$ 2.66 101,400 D
Common Stock	08/03/2010		P(1)		4,000	A	\$ 3.109 105,400 D
Common Stock	08/04/2010		P(1)		2,000	A	\$ 3.139 107,400 D
Common Stock	08/04/2010		P(1)		2,000	A	\$ 3.149 109,400 D
	08/04/2010		P(1)		2,000	A	111,400 D

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Common Stock \$ 3.159
 Common Stock 07/14/2010 S 19,201 D \$ 2.74 1,234 I By Spouse

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

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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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

LAM WAYNE
 C/O FALCONSTOR SOFTWARE, INC.
 2 HUNTINGTON QUADRANGLE
 MELVILLE, NY 11747-

Vice President

Signatures

/s/ Seth Horowitz - Attorney-in-fact 08/12/2010

**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) The reporting person's purchases made on August 3 and 4, 2010 reported herein were matchable under Section 16(b) of the Securities Exchange Act of 1934, as amended, to the extent of 10,000 shares, with the reporting person's sale on March 15, 2010 of (i) 100 shares of

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common stock at a price of \$3.78 per share, (ii) 4,349 shares of common stock at a price of \$3.77 per share, (iii) 965 shares of common stock at a price of \$3.76 per share, and (iv) 4,586 shares of common stock at a price of \$3.75 per share. The sales prices above constitute the highest sales prices that the reporting person received for the sales of his shares on March 15, 2010. The reporting person has agreed to pay to Falconstor Software, Inc. \$6,269.63, representing the full amount of the profit realized in connection with the short-swing transaction.

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.