

FALCONSTOR SOFTWARE INC  
 Form 4  
 March 15, 2007

**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 \*  
 Wu Bernard J

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)  
 03/13/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 V.P. - Business Development

C/O FALCONSTOR SOFTWARE, INC., 2 HUNTINGTON QUADRANGLE SUITE 2S01

(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)			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 Ownership (Instr. 4)
				(A) or (D)	Amount	Price			
Common Stock	03/13/2007		S	20,800	D	\$ 10	201,220	D	
Common Stock	03/13/2007		S	1,200	D	\$ 10.01	200,020	D	
Common Stock	03/13/2007		S	1,000	D	\$ 10.015	199,020	D	
Common Stock	03/13/2007		S	700	D	\$ 10.02	198,320	D	
	03/13/2007		S	400	D	\$ 10.03	197,920	D	

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Common Stock							
Common Stock	03/13/2007	S	500	D	\$ 10.04	197,420	D
Common Stock	03/13/2007	S	2,600	D	\$ 10.05	194,820	D
Common Stock	03/13/2007	S	900	D	\$ 10.06	193,920	D
Common Stock	03/13/2007	S	1,400	D	\$ 10.07	192,520	D
Common Stock	03/13/2007	S	500	D	\$ 10.09	192,020	D
Common Stock	03/13/2007	S	1,200	D	\$ 10.08	190,820	D
Common Stock	03/13/2007	S	1,885	D	\$ 10.1	188,935	D
Common Stock	03/13/2007	S	515	D	\$ 10.11	188,420	D
Common Stock	03/13/2007	S	800	D	\$ 10.12	187,620	D
Common Stock	03/13/2007	S	1,600	D	\$ 10.2	186,020	D
Common Stock	03/13/2007	S	700	D	\$ 10.21	185,320	D
Common Stock	03/13/2007	S	800	D	\$ 10.22	184,520	D
Common Stock	03/13/2007	S	10,600	D	\$ 10.23	173,920	D
Common Stock	03/13/2007	S	948	D	\$ 10.25	172,972	D
Common Stock	03/13/2007	S	952	D	\$ 10.26	172,020	D
Common Stock	03/14/2007	M	30,716	A	\$ 4.04	202,736	D
Common Stock	03/14/2007	M	20,100	A	\$ 5.07	222,836	D

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

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(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. Amount or Number of Shares
Stock Option (right to buy)	\$ 5.07	03/14/2007		M	20,100	<u>(1)</u> 05/06/2012	Common Stock	20,100
Stock Option (right to buy)	\$ 4.04	03/14/2007		M	30,716	<u>(1)</u> 11/10/2012	Common Stock	30,716

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wu Bernard J C/O FALCONSTOR SOFTWARE, INC. 2 HUNTINGTON QUADRANGLE SUITE 2S01 MELVILLE, NY 11747			V.P. - Business Development	

## Signatures

/s/ Wu, Bernard J. 03/15/2007

\*\*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) All options are currently exercisable.

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