

FALCONSTOR SOFTWARE INC
 Form 4
 May 23, 2014

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 *
RUBENSTEIN BARRY

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)
05/23/2014

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

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock					971,000	D	(1)
Common Stock	05/23/2014		S(8)	100,000	D	I	By Woodland Venture Fund (2)
Common Stock	05/23/2014		S(8)	47,015	D	I	By Seneca Ventures (3)

Common Stock		957,257	I	By Woodland Partners ⁽⁴⁾
Common Stock		187,900	I	By Brookwood Partners, L.P. ⁽⁵⁾
Common Stock		1,258	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 Beneficially Owned Following Reported Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RUBENSTEIN BARRY C/O FALCONSTOR SOFTWARE, INC. 2 HUNTINGTON QUADRANGLE MELVILLE, NY 11747	X			

Signatures

/s/ Seth Horowitz as
Attorney-in-Fact 05/23/2014

**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) Includes 100,000 shares held jointly by Barry Rubenstein and Marilyn Rubenstein (spouse).
- (2) Held by Woodland Venture Fund. Mr. Rubenstein is a general partner of Woodland Venture Fund. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (3) Held by Seneca Ventures. Mr. Rubenstein is a general partner of Seneca Ventures. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (4) Held by Woodland Partners. Mr. Rubenstein is a general partner of Woodland Partners. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (5) Held by Brookwood Partners, L.P. Mr. Rubenstein is a general partner of Brookwood Partners, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.

(6) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$1.45 to \$1.53, inclusive. The reporting person undertakes to provide the Issuer and any security holder of the Issuer, or the staff of the Securities and Exchange Commission, upon request, further information regarding the number of shares sold at each separate price such shares were sold.

(7) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$1.53 to \$1.59, inclusive. The reporting person undertakes to provide the Issuer and any security holder of the Issuer, or the staff of the Securities and Exchange Commission, upon request, further information regarding the number of shares sold at each separate price such shares were sold.

(8) There were purchases by Woodland Venture Fund and Seneca Ventures of an aggregate of 60,315 shares on May 19, 2014 at a price range between \$1.47 and \$1.51, inclusive, that have been matched against sales on May 23, 2014 by Woodland Venture Fund and Seneca Ventures to the extent of an aggregate of 60,315 shares at a price range between \$1.52 and \$1.59, inclusive. The aforementioned purchase price constitutes the lowest purchase price paid by the reporting person matched against the highest sale price that the reporting person received for the sale of shares on the date hereof. The reporting person has agreed to pay to Falconstor Software, Inc. \$2,133.58, 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.

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