KITSOS COSTAS Form 4 September 03, 2010

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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

1(b).

(City)

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading KITSOS COSTAS Issuer Symbol **BITSTREAM INC [BITS]** (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner Other (specify X_ Officer (give title C/O BITSTREAM INC., 500 09/02/2010 below) below) NICKERSON ROAD Vice Pres., Engineering (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line)

MARLBOROUGH, MA 01752-4695 (State)

(7:n)

(City)	(State)	Tabl	le I - Non-I	Derivative Sec	urities Acqu	ired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)		Beneficially Form Owned (D) Following Indi	Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	(A or Amount (D		Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Class A Common Stock	09/02/2010		X	2,400 A	\$ 2.0312	22,700 (1)	D	

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

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X Form filed by One Reporting Person Form filed by More than One Reporting

Person

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Transacti Code (Instr. 8)	5. Number on 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)	\$ 2.0312	09/02/2010		X	2,400	12/11/2003	12/11/2010	Class A Common Stock	2,400

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

KITSOS COSTAS C/O BITSTREAM INC. 500 NICKERSON ROAD MARLBOROUGH, MA 01752-4695

Vice Pres., Engineering

Signatures

Costas Kitsos 09/03/2010

**Signature of 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).

Balance includes 2,000 restricted shares granted on 05/24/2007 which expires on 05/24/2017 and which vests in equal amounts of 1,000 shares on 05/24/2011 and 05/24/2012; 3,000 restricted shares granted on 05/20/2008 which expires on 05/20/2018 and which vests in equal amounts of 1,000 shares on 05/20/2011, 05/20/2012 and 05/20/2013; 4,000 restricted shares granted on 08/19/2009 which expires on 08/19/2019 and which vests in equal amounts of 1,000 shares each on 08/19/2011, 08/19/2012, 08/19/2013, and 08/19/2014; and 5,000 restricted shares granted on 08/12/2010 which expires on 08/12/2020 and which vests over 5 years in 20 equal amounts of 250 shares on each quarterly anniversary date from the date of grant.

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.

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