

RUBENSTEIN BARRY  
Form 4  
April 30, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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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)  
04/27/2007

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

68 WHEATLEY ROAD

(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

BROOKVILLE, NY 11545

(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)
Common Stock	04/27/2007		S	V Amount (D) Price 15,847 D \$ 11.36	427,874	I	By Seneca Ventures <sup>(1)</sup>
Common Stock	04/27/2007		S	23,771 D \$ 11.4	404,103	I	By Seneca Ventures <sup>(1)</sup>
Common Stock	04/30/2007		S	9,508 D \$ 11.31	394,595	I	By Seneca Ventures <sup>(1)</sup>
Common Stock	04/27/2007		S	18,488 D \$ 11.38	188,581	I	By Wheatley Associates III, L.P. <sup>(2)</sup>
	04/30/2007		S	4,437 D	184,144	I	

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Common Stock					\$ 11.31			By Wheatley Associates III, L.P. <u>(2)</u>
Common Stock	04/27/2007	S	18,070	D	\$ 11.38	184,302	I	By Wheatley Foreign Partners III, L.P. <u>(3)</u>
Common Stock	04/30/2007	S	4,337	D	\$ 11.31	179,965	I	By Wheatley Foreign Partners III, L.P. <u>(3)</u>
Common Stock	04/27/2007	S	2,530	D	\$ 11.38	25,792	I	By Wheatley Foreign Partners, L.P. <u>(4)</u>
Common Stock	04/30/2007	S	607	D	\$ 11.31	25,185	I	By Wheatley Foreign Partners, L.P. <u>(4)</u>
Common Stock	04/27/2007	S	11,103	D	\$ 11.38	113,278	I	By Wheatley Partners II, L.P. <u>(5)</u>
Common Stock	04/30/2007	S	2,665	D	\$ 11.31	110,613	I	By Wheatley Partners II, L.P. <u>(5)</u>
Common Stock	04/27/2007	S	84,489	D	\$ 11.38	861,732	I	By Wheatley Partners III, L.P. <u>(6)</u>
Common Stock	04/30/2007	S	20,278	D	\$ 11.31	841,454	I	By Wheatley Partners III, L.P. <u>(6)</u>
Common Stock	04/27/2007	S	29,850	D	\$ 11.38	304,467	I	By Wheatley Partners, L.P. <u>(7)</u>
Common Stock	04/30/2007	S	7,164	D	\$ 11.31	297,303	I	By Wheatley

Common Stock	04/27/2007	S	18,341	D	\$ 11.36	495,176	I	Partners, L.P. <sup>(7)</sup> By Woodland Venture Fund <sup>(8)</sup>
Common Stock	04/27/2007	S	27,511	D	\$ 11.4	467,665	I	By Woodland Venture Fund <sup>(8)</sup>
Common Stock	04/30/2007	S	11,004	D	\$ 11.31	456,661	I	By Woodland Venture Fund <sup>(8)</sup>
Common Stock						1,301,103	D	
Common Stock						395,217	I	By Brookwood Partners, L.P. <sup>(9)</sup>
Common Stock						698,242	I	By Woodland Partners <sup>(10)</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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		

# Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RUBENSTEIN BARRY 68 WHEATLEY ROAD BROOKVILLE, NY 11545			X	

# Signatures

/s/ Rubenstein,  
Barry 04/30/2007  
\*\*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) 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.
- (2) Held by Wheatley Associates III, L.P. Mr. Rubenstein is a member and officer of Wheatley Partners III, LLC, which is the general partner of Wheatley Associates III, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (3) Held by Wheatley Foreign Partners III, L.P. Mr. Rubenstein is a member and officer of Wheatley Partners III, LLC, which is the general partner of Wheatley Foreign Partners III, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (4) Held by Wheatley Foreign Partners, L.P. Mr. Rubenstein is a member and officer of Wheatley Partners, LLC, which is a general partner of Wheatley Foreign Partners, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (5) Held by Wheatley Partners II, L.P. Mr. Rubenstein is a general partner of Wheatley Partners II, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (6) Held by Wheatley Partners III, L.P. Mr. Rubenstein is a member and officer of Wheatley Partners III, LLC, which is the general partner of Wheatley Partners III, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (7) Held by Wheatley Partners, L.P. Mr. Rubenstein is a member and officer of Wheatley Partners, LLC, which is a general partner of Wheatley Partners, L.P. Mr. Rubenstein disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (8) 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.
- (9) Held by Brookwood Partners, L.P. Mr. Rubenstein is a general partner of Brookwood Partners, L.P., which is a partnership for the benefit of the adult children of Mr. Rubenstein, and he disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (10) 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.

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.