

Petrucelly Louis J  
 Form 3  
 May 31, 2012

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Â Petrucelly Louis J</p> <p>(Last) (First) (Middle)</p> <p>C/O FALCONSTOR SOFTWARE, INC., Â 2 HUNTINGTON QUADRANGLE</p> <p>(Street)</p> <p>MELVILLE, Â NY Â 11747</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>05/25/2012</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>FALCONSTOR SOFTWARE INC [FALC]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner</p> <p><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other</p> <p>(give title below) (specify below)</p> <p>Chief Financial Officer</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p>
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	15,500	D <sup>(1)</sup>	Â

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	
Stock Option (right to buy)	Â <u>(2)</u>	04/03/2017	Common Stock	10,000	\$ 10.84	D	Â
Stock Option (right to buy)	Â <u>(2)</u>	03/10/2018	Common Stock	10,000	\$ 7.14	D	Â
Stock Option (right to buy)	Â <u>(2)</u>	11/06/2018	Common Stock	15,000	\$ 2.63	D	Â
Stock Option (right to buy)	Â <u>(2)</u>	03/09/2019	Common Stock	15,000	\$ 2.25	D	Â
Stock Option (right to buy)	Â <u>(3)</u>	08/06/2019	Common Stock	12,000	\$ 5.12	D	Â
Stock Option (right to buy)	Â <u>(4)</u>	03/11/2020	Common Stock	10,000	\$ 3.93	D	Â
Stock Option (right to buy)	Â <u>(5)</u>	12/20/2020	Common Stock	15,000	\$ 3.31	D	Â
Stock Option (right to buy)	Â <u>(6)</u>	05/09/2021	Common Stock	25,000	\$ 4.12	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Petrucelly Louis J C/O FALCONSTOR SOFTWARE, INC. 2 HUNTINGTON QUADRANGLE MELVILLE, NY 11747	Â	Â	Â Chief Financial Officer	Â

## Signatures

/s/ Louis J. Petrucelly                      05/31/2012

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\*\*Signature of Reporting Person                      Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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 6,725 shares of Restricted Stock. The restrictions will lapse as to 2,475 of these shares on August 5, 2012, 1,700 of these shares on August 6, 2012, and 2,550 of these shares on August 5, 2013.
- (2) The options were granted under the Company's 2006 Incentive Stock Plan, as amended. All of these options have vested and are exercisable.

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(3) The options were granted under the Company's 2006 Incentive Stock Plan, as amended. 3,960 of these options vested and became exercisable on August 6, 2010; an additional 3,960 vested and became exercisable on August 6, 2011; and the remaining 4,080 will vest and become exercisable on August 6, 2012.

(4) The options were granted under the Company's 2006 Incentive Stock Plan, as amended. 3,300 of these options vested and became exercisable on March 11, 2011; an additional 3,300 vested and became exercisable on March 11, 2012; and the remaining 3,400 will vest and become exercisable on March 11, 2013.

(5) The options were granted under the Company's 2006 Incentive Stock Plan, as amended. 4,950 of these options vested and became exercisable on December 20, 2011; an additional 4,950 will vest and become exercisable on December 20, 2012; and the remaining 5,100 will vest and become exercisable on December 20, 2013.

(6) The options were granted under the Company's 2006 Incentive Stock Plan, as amended. 8,250 of these options vested and became exercisable on May 9, 2012; an additional 8,250 will vest and become exercisable on May 9, 2013; and the remaining 8,500 will vest and become exercisable on May 9, 2014.

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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