

WATERHOUSE LLOYD G  
 Form 4  
 May 25, 2010

**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 \*  
**WATERHOUSE LLOYD G**  
  
 (Last) (First) (Middle)  
**C/O SOLARWINDS, INC., 3711 S. MOPAC EXPY, BUILDING TWO**  
  
 (Street)  
**AUSTIN, TX 78746**  
  
 (City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**SolarWinds, Inc. [SWI]**  
  
 3. Date of Earliest Transaction (Month/Day/Year)  
**05/21/2010**  
  
 4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer  
  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
  
 6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	05/21/2010		A	3,260 (1) A \$ 0	3,260	D	

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

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SEC 1474 (9-02)

**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. 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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 18.41	05/21/2010		A	17,472	<u>(2)</u> 05/21/2010		Common Stock	17,472

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

WATERHOUSE LLOYD G  
 C/O SOLARWINDS, INC., 3711 S. MOPAC EXPY  
 BUILDING TWO  
 AUSTIN, TX 78746

X

## Signatures

/s/ Kevin B. Thompson,  
 Attorney-in-Fact

05/25/2010

\_\_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).

Represents the grant of restricted stock units that entitle the reporting person to receive one share of issuer's common stock per restricted stock unit. The restricted stock units vest in three equal installments on each of the first three anniversaries of the date of grant, subject to

(1) the reporting person's continued service through each applicable date. In the event of the termination of the reporting person, the reporting person's right to acquire the balance of the restricted stock units that have not vested as of the time of termination shall immediately terminate.

(2) 1/3 of the shares vest and become exercisable on May 21, 2011 and 1/36 of the shares vest and become exercisable each month thereafter.

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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