

THOMPSON KEVIN B
Form 4
January 06, 2011

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 *
THOMPSON KEVIN B

(Last) (First) (Middle)

C/O SOLARWINDS, INC., 3711 S. MOPAC EXPY., BLDG. 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)
01/04/2011

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)

Director, President & CEO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	01/04/2011		A		53,100 (1)	A	\$ 0 90,200 D
Common Stock	01/05/2010		M		40,000	A	\$ 2.6867 130,200 D
Common Stock	01/05/2010		D		40,000 (2)	D	\$ 20.2777 (3) 90,200 D

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 Security (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 20.06	01/04/2011		A	93,800	(4) 01/04/2021	Common Stock	93,800
Employee Stock Option (right to buy)	\$ 2.6867	01/05/2010		M	40,000	(5) 07/26/2016	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
THOMPSON KEVIN B C/O SOLARWINDS, INC. 3711 S. MOPAC EXPY., BLDG. TWO AUSTIN, TX 78746	X		Director, President & CEO	

Signatures

/s/ Bryan A. Sims, Attorney-in-Fact for Kevin B. Thompson
Date: 01/06/2011

**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 will entitle the reporting person to receive one share of issuer's common stock per restricted stock unit. The restricted stock units vest in four equal annual installments beginning January 4, 2012. In the event of the termination of the reporting person as a service provider, the reporting person's right to acquire the balance of the restricted stock units that have not vested as of the time of termination as a service provider shall immediately terminate.
- (1)
- (2) Shares sold pursuant to a 10b5-1 Trading Plan.

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(3) This transaction was executed in multiple trades at prices ranging from \$20.045 to \$20.48, inclusive. The price reported reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares sold and each separate price within the ranges set forth in this footnote.

(4) 1/4 of the shares vest and become exercisable on January 4, 2012 and 1/48 of the shares vest and become exercisable each month thereafter.

(5) Grant subject to a right of early exercise by reporting person prior to vesting and a right of repurchase by issuer that lapses in accordance with the vesting schedule. 1/4th of the shares vested and became exercisable on July 1, 2007 and 1/48th 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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