

THOMPSON KEVIN B
Form 4
January 05, 2012

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

2. Issuer Name and Ticker or Trading Symbol
SolarWinds, Inc. [SWI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O SOLARWINDS, INC., 3711 S. MOPAC EXPY., BLDG. TWO

3. Date of Earliest Transaction (Month/Day/Year)
01/04/2012

Director 10% Owner
 Officer (give title below) Other (specify below)
Director, President & CEO

(Street)
AUSTIN, TX 78746

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

(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)
			Code	V	Amount (A) or (D) Price		
Common Stock	01/04/2012		M		80,000 A \$ 2.6867	203,416	D
Common Stock	01/04/2012		S		38,300 (1) D 27.6802 (2)	165,116	D
Common Stock	01/04/2012		S		1,700 (1) D 28.3229 (3)	163,416	D
Common Stock	01/04/2012		A		79,598 (4) A \$ 0	243,014	D
	01/04/2012		F		D \$ 28.03	239,338	D

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Common Stock 3,676
(5)

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 Security (Instr. 3 and 4)	Amount of Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	Am Nu Sha
Employee Stock Option (right to buy)	\$ 2.6867	01/04/2012		M		(6) 07/26/2016	Common Stock	40
Employee Stock Option (right to buy)	\$ 2.6867	01/04/2012		M		(7) 07/26/2016	Common Stock	40
Employee Stock Option (right to buy)	\$ 28.03	01/04/2012		A	179,160	(8) 01/04/2022	Common Stock	17

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

01/05/2012

__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) Shares sold pursuant to a 10b5-1 Trading Plan.

This transaction was executed in multiple trades at prices ranging from \$27.25 to \$28.23, inclusive. The price reported above 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 footnotes (2) and (3) of this form.

(2) This transaction was executed in multiple trades at prices ranging from \$28.25 to \$28.35, inclusive. The price reported above 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 footnotes (2) and (3) of this form.

(3) 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 five equal annual installments beginning January 4, 2013. 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.

(4) Represents the number of shares withheld to satisfy the reporting person's tax obligations in connection with the vesting of restricted stock units.

(5) 1/4th of the shares vested and became exercisable on July 1, 2007 and 1/48th of the shares vested each month thereafter.

(6) 1/4th of the shares vested and became exercisable on July 1, 2007 and 1/48th of the shares vested each month thereafter. Grant was subject to a right of early exercise prior to vesting and a right of repurchase that lapses in accordance with the vesting schedule.

(7) 1/60th of the shares shall vest and become exercisable on February 4, 2012 and 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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