

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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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)	Amount or Price		
Common Stock	05/21/2010		A	(1)	3,260 \$ 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		(2)	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, 05/25/2010
 Attorney-in-Fact

**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. 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.