

BENNETT MICHAEL S
 Form 4
 June 02, 2009

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 *
BENNETT MICHAEL S

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)
05/29/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board & 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

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/29/2009		M		79,594	A	\$ 2.6867
Common Stock	05/29/2009		S		79,594	D	\$ 11.625
Common Stock	05/29/2009		M		48,948	A	\$ 2.6867
Common Stock	05/29/2009		S		48,948	D	\$ 11.625
							79,594
					0		0
					48,948		48,948
					0		0
						D	
						I	by LP (2)
						I	by LP (2)

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 Securities (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 2.6867	05/29/2009		M	79,594	<u>(1)</u> 07/26/2016	Common Stock	79,594
Employee Stock Option (right to buy)	\$ 2.6867	05/29/2009		M	48,948	<u>(1)</u> 07/26/2016	Common Stock	48,948

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BENNETT MICHAEL S C/O SOLARWINDS, INC. 3711 S. MOPAC EXPY., BLDG TWO AUSTIN, TX 78746	X		Chairman of the Board & CEO	

Signatures

/s/ Bryan A. Sims, Attorney-in-Fact for Michael Bennett

06/02/2009

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)

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Grant subject to a right of early exercise by Mr. Bennett prior to vesting and a right of repurchase by SolarWinds, Inc. that lapses in accordance with the vesting schedule. 1/4th of the shares vest on the 1 year anniversary of May 30, 2006 and 1/48th vest each month thereafter.

- Vested options held by MSB Asset Management, LP. MSB Asset Management GP, LLC is the general partner of the MSB Asset Management, L.P. Mr. Bennett is the sole manager of MSB Asset Management GP, LLC, and by virtue of this relationship, may be
- (2) deemed to have voting and dispositive power over the shares issuable upon the exercise of options held by MSB Asset Management, L.P. Mr. Bennett disclaims beneficial ownership of the shares issuable upon the exercise of options held by MSB Asset Management, L.P. except to the extent of his pecuniary interest therein.

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.