

Watson Robert Eugene
 Form 4
 February 02, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
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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 *
 Watson Robert Eugene

2. Issuer Name and Ticker or Trading Symbol
 STREAMLINE HEALTH SOLUTIONS INC. [STRM]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 C/O STREAMLINE HEALTH, 10200 ALLIANCE ROAD, SUITE 200
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/31/2011

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

CINCINNATI, OH 45242
 (City) (State) (Zip)

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 Ownership (Instr. 4) | | | | |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---------|--------|---|--|
| | | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock \$0.01 Par Value <u>(1)</u> | 01/31/2011 | | M | | 50,000 | A | | \$ 0.01 | 50,000 | 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)

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This award was not granted pursuant to any pre-existing Company equity plan. This award was made as an inducement grant pursuant to an exception found in NASDAQ marketplace rule 5635(c)(4).

- (3) All shares under this right to purchase are eligible for immediate exercise on January 31, 2011.
- (4) The options shall vest and become exercisable in thirty-six substantially equal monthly installments, commencing with the date that is one month from January 31, 2011, during the first three years of employment by the Company.
- (5) The options shall vest and become exercisable in five equal annual installments on each of the first, second, third, fourth and fifth anniversaries of January 31, 2011.

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.