

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  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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

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

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

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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**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 Underlying Security (Instr. 3 and 4)
				Code V (A) (D)		Date Exercisable Expiration Date	Title
Right to Purchase <sup>(2)</sup>	\$ 0.01	01/31/2011		A	50,000	01/31/2011 <sup>(3)</sup> 01/31/2013	Common Stock \$.01 Par Value
Stock Option <sup>(2)</sup>	\$ 2	01/31/2011		A	250,000	02/28/2011 <sup>(4)</sup> 01/31/2021	Common Stock \$.01 Par Value
Stock Option <sup>(2)</sup>	\$ 3	01/31/2011		A	150,000	01/31/2012 <sup>(5)</sup> 01/31/2021	Common Stock \$.01 Par Value
Right to Purchase	\$ 0.01	01/31/2011		M	50,000	01/31/2011 01/31/2011	Common Stock \$.01 Par Value

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Watson Robert Eugene C/O STREAMLINE HEALTH 10200 ALLIANCE ROAD, SUITE 200 CINCINNATI, OH 45242	X		President & CEO	

## Signatures

Matthew D. Rolfes by power of Atty. 02/02/2011  
 \*\*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).
- (1) These 50,000 shares were issued pursuant to the right to purchase transaction on January 31, 2011.
- (2)

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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.