

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Watson Robert Eugene</u> _____ (Last) (First) (Middle) <u>C/O STREAMLINE HEALTH</u> <u>10200 ALLIANCE ROAD, SUITE 200</u> _____ (Street) <u>CINCINNATI OH 45242</u> _____ (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>STREAMLINE HEALTH SOLUTIONS INC.</u> [<u>STRM</u>]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;">President & CEO</p>		
			3. Date of Earliest Transaction (Month/Day/Year) <u>01/31/2011</u>					
			4. If Amendment, Date of Original Filed (Month/Day/Year)					
			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock \$.01 Par Value ⁽¹⁾	01/31/2011		M		50,000	A	\$0.01	50,000	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Right to Purchase ⁽²⁾	\$0.01	01/31/2011		A		50,000		01/31/2011 ⁽³⁾	01/31/2013	Common Stock \$.01 Par Value	50,000	\$0.01	50,000	D	
Stock Option ⁽²⁾	\$2	01/31/2011		A		250,000		02/28/2011 ⁽⁴⁾	01/31/2021	Common Stock \$.01 Par Value	250,000	\$2	250,000	D	
Stock Option ⁽²⁾	\$3	01/31/2011		A		150,000		01/31/2012 ⁽⁵⁾	01/31/2021	Common Stock \$.01 Par Value	150,000	\$3	150,000	D	
Right to Purchase	\$0.01	01/31/2011		M			50,000	01/31/2011	01/31/2011	Common Stock \$.01 Par Value	50,000	\$0.01	0	D	

Explanation of Responses:

- These 50,000 shares were issued pursuant to the right to purchase transaction on January 31, 2011.
- 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).
- All shares under this right to purchase are eligible for immediate exercise on January 31, 2011.
- 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.
- 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.

Remarks:

Matthew D. Rolfes by power of 02/02/2011
Atty.

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.