
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2010

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-28132

STREAMLINE HEALTH SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

31-1455414
(I.R.S. Employer
Identification No.)

10200 Alliance Road, Suite 200
Cincinnati, Ohio 45242-4716
(Address of principal executive offices) (Zip Code)

(513) 794-7100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of Registrant's Common Stock (\$.01 par value per share) issued and outstanding, as of June 9, 2010: 9,722,365.

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PART I. FINANCIAL INFORMATION

Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STREAMLINE HEALTH SOLUTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

Assets

	(Unaudited) April 30, 2010	(Audited) January 31, 2010
Current assets:		
Cash and cash equivalents	\$ 1,026,061	\$ 1,025,173
Accounts receivable, net of allowance for doubtful accounts of \$100,000	1,355,148	1,922,279
Contract receivables	525,972	1,182,308
Prepaid hardware and third party software for future delivery	145,952	149,281
Prepaid other, including prepaid customer maintenance contracts	1,489,020	1,363,332
Deferred income taxes	224,000	224,000
Total current assets	4,766,153	5,866,373
Property and equipment:		
Computer equipment	3,111,363	2,987,039
Computer software	1,845,480	1,816,397
Office furniture, fixtures and equipment	747,867	747,867
Leasehold improvements	574,257	574,257
	6,278,967	6,125,560
Accumulated depreciation and amortization	(4,566,281)	(4,344,432)
	1,712,686	1,781,128
Contract receivables, less current portion	146,630	146,093
Capitalized software development costs, net of accumulated amortization of \$11,026,998 and \$10,411,828, respectively	8,130,122	8,049,292
Other, including deferred income taxes of \$1,651,000 and \$1,651,000, respectively	1,677,594	1,681,661
	<u>\$ 16,433,185</u>	<u>\$ 17,524,547</u>

See Notes to Condensed Consolidated Financial Statements.

STREAMLINE HEALTH SOLUTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

Liabilities and Stockholders' Equity

	(Unaudited) April 30, 2010	(Audited) January 31, 2010
Current liabilities:		
Accounts payable	\$ 604,390	\$ 887,928
Accrued compensation	569,046	559,235
Accrued other expenses	413,485	476,504
Current portion of capital lease obligation	188,926	249,309
Current portion of deferred revenues	4,615,863	4,956,303
Total current liabilities	<u>6,391,710</u>	<u>7,129,279</u>
Deferred revenues, less current portion	437,992	602,239
Line of credit	1,700,000	900,000
Capital lease, less current portion	183,637	161,666
Total Liabilities	<u>8,713,339</u>	<u>8,793,184</u>
Stockholders' equity:		
Convertible redeemable preferred stock, \$.01 par value per share 5,000,000 shares authorized, no shares issued	—	—
Common stock, \$.01 par value per share, 25,000,000 shares authorized, 9,623,179 and 9,436,824 shares issued, respectively	96,232	94,368
Additional paid in capital	36,328,750	36,160,126
Accumulated other comprehensive income	—	5,620
Accumulated deficit	(28,705,136)	(27,528,751)
Total stockholders' equity	<u>7,719,846</u>	<u>8,731,363</u>
	<u>\$ 16,433,185</u>	<u>\$ 17,524,547</u>

See Notes to Condensed Consolidated Financial Statements.

STREAMLINE HEALTH SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONSThree Months Ended April 30,
(Unaudited)

	2010	2009
Revenues:		
Systems sales	\$ 150,438	\$ 347,044
Services, maintenance and support	2,543,575	2,716,241
Application-hosting services	850,003	687,514
Total revenues	<u>3,544,016</u>	<u>3,750,799</u>
Operating expenses:		
Cost of systems sales	737,889	665,660
Cost of services, maintenance and support	1,382,210	1,064,130
Cost of application-hosting services	457,028	431,805
Selling, general and administrative	1,697,577	1,214,970
Product research and development	470,171	346,247
Total operating expenses	<u>4,744,875</u>	<u>3,722,812</u>
Operating profit (loss)	(1,200,859)	27,987
Other income (expense):		
Interest expense	(22,335)	(7,466)
Other income	51,809	2,820
Earnings (loss) before taxes	(1,171,385)	23,341
Income taxes	(5,000)	(7,000)
Net earnings (loss) income	<u>\$ (1,176,385)</u>	<u>\$ 16,341</u>
Basic net earnings (loss) per common share	<u>\$ (0.13)</u>	<u>\$ 0.00</u>
Diluted net earnings (loss) per common share	<u>\$ (0.13)</u>	<u>\$ 0.00</u>
Number of shares used in per common share computations:		
Basic	<u>9,413,367</u>	<u>9,354,782</u>
Diluted	<u>9,413,367</u>	<u>9,404,364</u>

See Notes to Condensed Consolidated Financial Statements.

STREAMLINE HEALTH SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWSThree Months Ended April 30,
(Unaudited)

	2010	2009
Operating activities:		
Net earnings (loss)	\$ (1,176,385)	\$ 16,341
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	837,019	624,747
Share-based compensation	87,446	66,139
Changes in assets and liabilities:		
Accounts and contract receivables	1,222,930	46,072
Other current assets	(127,979)	(276,835)
Accounts payable and accrued expenses	(336,746)	306,358
Deferred revenues	(504,687)	(1,651,917)
Net cash provided by (used in) operating activities	<u>1,598</u>	<u>(869,095)</u>
Investing activities:		
Purchases of property and equipment	(153,407)	(189,394)
Capitalization of software development costs	(696,000)	(949,000)
Other	(34,344)	(12,641)
Net cash (used in) investing activities	<u>(883,751)</u>	<u>(1,151,035)</u>
Financing activities:		
Proceeds from stock purchase plan and exercise of stock options	83,041	—
Net change in bank line of credit	800,000	—
Net cash provided by financing activities	<u>883,041</u>	<u>—</u>
Increase (decrease) in cash and cash equivalents	888	(2,020,130)
Cash and cash equivalents at beginning of period	<u>1,025,173</u>	<u>3,128,801</u>
Cash and cash equivalents at end of period	<u>\$ 1,026,061</u>	<u>\$ 1,108,671</u>
Supplemental cash flow disclosures:		
Interest paid	<u>\$ 13,276</u>	<u>\$ 7,444</u>
Income taxes paid	<u>\$ 8,994</u>	<u>\$ 9,686</u>

See Notes to Condensed Consolidated Financial Statements.

STREAMLINE HEALTH SOLUTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE A — BASIS OF PRESENTATION

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared by Streamline Health Solutions, Inc. (“Streamline Health® or the Company”), pursuant to the rules and regulations applicable to quarterly reports on Form 10-Q of the U. S. Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Condensed Consolidated Financial Statements have been included. These Condensed Consolidated Financial Statements should be read in conjunction with the financial statements and notes thereto included in the most recent Streamline Health Solutions, Inc. Annual Report on Form 10-K, Commission File Number 0-28132. Operating results for the three months ended April 30, 2010, are not necessarily indicative of the results that may be expected for the fiscal year ending January 31, 2011.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company’s significant accounting policies is presented beginning on page 45 of its fiscal year 2010 Annual Report on Form 10-K. Users of financial information for interim periods are encouraged to refer to the footnotes contained in the Annual Report when reviewing interim financial results.

Useful Lives of Capitalized Software Development Costs

In the fourth quarter of fiscal 2009 the Company made its fifth generation software, accessANYware 5.0, generally available. In the first quarter of fiscal 2010, subsequent to the release, the Company completed a review by product of the estimated useful lives of its capitalized software development costs. After reviewing strategic plans, analyzing the historical useful life of the software products, forecasting product life cycles and demand expectations, the Company assigned a five year estimated useful life for costs capitalized for accessANYware 5.0, and revised the estimated useful lives of certain other products from three years to five years.

The product life cycle for accessANYware versions prior to the latest version 5.0, have lasted significantly longer than five years. Historical product and customer data shows that many customers remain on the same primary version for five years or more after purchase, or product support and development continue for five years or more. The Company expects accessANYware 5.0 to also have a five year or longer product life cycle based on this historical data, and the estimated product development lifecycle. In addition, the useful life of the unamortized balance of development costs for prior accessANYware versions should also reflect an approximate five year life from their documented general release dates. The Company intends to actively sell and support these products for a minimum five years while version 5.0 is being rolled out. This same policy will be applied to FolderView as it is generally a primary add-on component to accessANYware, and has had a similar historical life cycle. Upon Company review of the revenue projections, the estimated life cycle of accessANYware 5.0, and the remaining life cycle for prior accessANYware and FolderView releases, a five year estimated life is reasonable and proper.

The Company accounted for the change in useful life as a change in accounting estimate which is accounted for on a prospective basis effective February 1, 2010. For the three months ended April 30, 2010 the change resulted in a reduction of amortization expense of approximately \$250,000, an increase in income from continuing operations and net income of \$250,000 and a decrease in basic and diluted loss per share of \$0.02. Amortization expense for capitalized software development costs is included in cost of system sales in the consolidated statement of operations.

NOTE C — EQUITY AWARDS

Compensation expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant-date fair value of those awards expected to ultimately vest (with limited exceptions). Forfeitures are estimated on the date of the grant and revised if actual or expected forfeiture activity differs materially from original estimates.

During the first three months of the current fiscal year, the Company granted 130,000 options with a weighted average exercise price of \$1.99 per share. During the same period 2,000 options expired with an average exercise price of \$1.50 per share and 67,000 options were exercised under all plans at an average exercise price of \$1.24 per share.

During the first three months of the current fiscal year, the Company granted restricted stock shares subject to the 2005 Incentive Compensation Plan as amended, to certain independent members of the Board of Directors and employees. The shares have an approximate one-year vesting period. A total of 119,000 shares were issued with a weighted average fair value of \$2.01 per share.

The fair value of each option grant during the quarter ended April 30, 2010 was estimated at the date of the grants using a Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 2.50%, a dividend yield of zero percent; and a current weighted average volatility factor of the expected market price of Streamline Health's Common Stock of 0.545 in 2010. The weighted average expected life of stock options are five years and have a forfeiture rate of zero.

NOTE D — EARNINGS PER SHARE

The basic earnings (loss) per common share are calculated using the weighted average number of common shares outstanding during the period.

The fiscal 2010 and 2009 diluted net (loss) per common share calculation, excludes the effect of the common stock equivalents (stock options and restricted stock), as the inclusion thereof would be antidilutive. The Company had 699,000 and 508,000 equity award shares outstanding at April 30, 2010 and April 30, 2009, respectively that were not included in the diluted net (loss) per share calculation, as the inclusion thereof would be antidilutive.

NOTE E — CONTRACTUAL OBLIGATIONS

The following table details the remaining obligations, by fiscal year, as of the end of the quarter. There are no other contractual obligations beyond fiscal year 2013.

	Total	2010	2011	2012	2013
Line of credit	\$ 1,700,000	—	—	1,700,000	—
Operating leases	294,692	227,777	43,125	19,032	4,758
Capital leases	422,532	172,854	249,678	—	—
Total	\$ 2,417,224	400,631	292,803	1,719,032	4,758

NOTE F — DEBT

On October 21, 2009, the Company entered into an amended and restated revolving note with Fifth Third Bank, Cincinnati, OH. The terms of the loan remain the same as set forth in the revolving note entered into on July 31, 2008, as amended on January 6, 2009, except as follows: (i) the maximum principal amount that can be borrowed was increased to \$2,750,000 from the prior maximum amount of \$2,000,000; (ii) the maturity date of the loan has been extended to October 1, 2011 from August 1, 2010; and (iii) the interest rate on the outstanding principal balance will accrue at an annual floating rate of interest equal to the Adjusted Libor Rate (as defined in the revolving note) plus 3.25%. The interest rate on the note was 3.50% at April 30, 2010.

In connection with the entering into of the revised revolving note, the Company also entered into an amended and restated continuing guaranty agreement. The terms of the continuing guaranty agreement remain the same as set forth in the guaranty agreement entered into on July 31, 2008, as amended on January 6, 2009, except that the covenant that formerly required the Company to maintain certain levels of minimum tangible net worth has been eliminated.

The note also continues to be secured by a first lien on all of the assets of the Company pursuant to security agreements entered into by the Company.

The Company was in compliance with all of the covenants at April 30, 2010. The Company pays a commitment fee on the unused portion of the facility of .06%. The Company had outstanding borrowings of \$1,700,000 under this revolving loan as of April 30, 2010.

NOTE G — FOREIGN CURRENCY

Foreign currency hedge instruments are from time to time used to partially offset its business exposure to foreign exchange risk of the Canadian dollar for the Company's transactions with a current Canadian customer. The Company may enter into foreign currency forward and option contracts to offset some of the foreign exchange risk of expected future cash flows on certain forecasted revenue and cost of sales, and on certain existing accounts receivable and payable. However, the Company may choose not to hedge certain foreign exchange exposures for a variety of reasons, including but not limited to immateriality. There were no outstanding foreign currency forward contracts at April 30, 2010.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In addition to historical information contained herein, this Report on Form 10-Q contains forward-looking statements relating to the Company’s plans, strategies, expectations, intentions, etc. and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained herein are no guarantee of future performance and are subject to certain risks and uncertainties that are difficult to predict and actual results could differ materially from those reflected in the forward-looking statements. These risks and uncertainties include, but are not limited to, the timing of contract negotiations and executions and the related timing of the revenue recognition related thereto, the potential cancellation of existing contracts or clients not completing projects included in the backlog, the impact of competitive products and pricing, product demand and market acceptance, new product development, key strategic alliances with vendors that resell Streamline Health solutions, the ability of Streamline Health to control costs, availability of products obtained from third-party vendors, the healthcare regulatory environment, potential changes in legislation, regulatory and government funding affecting the healthcare industry, healthcare information system budgets, availability of healthcare information systems trained personnel for implementation of new systems, as well as maintenance of legacy systems, fluctuations in operating results and other risk factors that might cause such differences including those discussed herein, and including, effects of critical accounting policies and judgments, changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other similar entities, changes in economic, business and market conditions impacting the healthcare industry, the markets in which the Company operates and nationally, and the Company’s ability to maintain compliance with the terms of its credit facilities, but not limited to, discussions in the most recent Form 10-K, Part I, “Item 1 Business”, “Item 1A Risk Factors”, Part II, “Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 8 Financial Statements and Supplemental Data.” In addition, other written or oral statements that constitute forward-looking statements may be made by or on behalf of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis only as of the date thereof. The Registrant undertakes no obligation to publicly revise these forward-looking statements, to reflect events or circumstances that arise after the date hereof. Readers should carefully review the risk factors described in this and other documents Streamline Health Solutions, Inc. files from time to time with the Securities and Exchange Commission, including future Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K.

Streamline Health’s discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires Streamline Health to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent liabilities. On an ongoing basis, Streamline Health evaluates its estimates, including those related to product revenues, bad debts, capitalized software development costs, income taxes, support contracts, contingencies, and litigation. Streamline Health bases its estimates on historical experience and on various other assumptions that Streamline Health believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and revenue and expense recognition. Actual results may differ from these estimates under different assumptions or conditions.

General

Founded in 1989, Streamline Health Solutions, Inc. (“Streamline Health®” or the “Company”) is a healthcare information technology company, which is focused on developing and licensing proprietary software solutions that improve document-centric information flows and complement and enhance existing transaction-centric hospital healthcare information systems. The Company sells its products in North America through its direct sales force, and its reseller partnerships. The Company also sells to direct remarketers, hospitals, clinical and ambulatory services.

Document imaging and workflow management technologies like those provided by Streamline Health are essential elements of a complete Electronic Health Record (EHR) because they allow for the storage of unstructured data. Unstructured data may consist of patient record elements other than discrete data, such as hand written physician or nursing notes and physician orders, photographs, audio, video, and outside correspondence. The Company’s systems and services allow critical information to be accessed, and eventually delivered to the caregiver at the point of patient care. The Company’s systems and services can also help a provider’s existing system to achieve “meaningful use” under the HITECH provisions of the American Recovery and Reinvestment Act of 2009 (ARRA). These benefits encourage physicians to adopt the Company’s solutions because of convenient access to documents not typically available in data-centric clinical information systems.

Streamline Health’s solutions create a permanent document-based repository of historical health information that is complementary and can be seamlessly integrated with existing disparate clinical, financial and administrative information systems, providing convenient electronic access to all forms of patient information from any location, including secure web-based access. These integrated solutions allow providers and administrators to link existing systems with documents, which can dramatically improve the availability of patient information while decreasing direct costs associated with document retrieval, work-in-process, chart processing, document retention, and archiving.

Healthcare providers have significant need to simultaneously reduce costs and enhance the level of patient care in the current healthcare environment. Hospitals and other healthcare providers are requiring comprehensive, cost-effective information systems that deliver rapid access to fully updated and complete patient information. Streamline Health’s strategy is to remain a leader in document management and workflow technologies that supplement the existing Clinical Information System, and provide cost savings and enhanced safety through improved access to critical patient data.

The Company operates primarily in one segment as a provider of health information technology solutions that streamline healthcare information flows within a healthcare facility. The financial information required by Item 101(b) of Regulation S-K is contained in Item 6 Selected Financial Information of the Company’s January 31, 2010 Form 10-K.

Executive Overview

In 2009, the Company successfully made its fifth-generation accessANYware architecture generally-available. This development effort included the consolidation of technology platforms onto the Microsoft.NET platform, and also the internationalization of the software to reach international markets. This internationalization specifically included French Canadian language capabilities as part of Streamline Health's agreements with the Centre hospitalier de l'Université de Montréal (CHUM), the McGill University Health Centre (MUHC), and L'Agence de la santé et des sociaux de Montreal (l'Agence) via our distribution partner Telus Health. Prior versions of accessANYware are still available for sale, and the Company continues to provide full product support for prior versions, as we anticipate several years before all existing accessANYware customers complete a transition to accessANYware 5.0. The Company will roll out accessANYware 5.0 over the next several years. We have had positive reception to the product at the installed locations in Canada, and the Company's sales team is actively informing new and existing customers of its benefits.

In 2009, the Company established a BPM consulting services division to take advantage of what the Company believes is a significant growth opportunity to provide customized document workflow solutions and Business Process Management. Many industry consultants, including Gartner Research, believe healthcare organizations face an ever increasing demand to improve business processes and reduce costs, especially in the current economic climate. Business Process Management is a proven discipline which allows organizations to improve their business operations by identifying, automating and optimizing existing labor-intensive business processes that cause bottlenecks and inefficiencies. In February of 2010, the company entered into an agreement with the Children's National Medical Center to provide BPM services. In addition to this strategic customer, the Company has had a positive response from other customers on this line of product. The Company views this product offering as a potential driver of significant growth.

Streamline Health experienced a growth in hosting services contracts over the past two fiscal years. Many organizations in the current health information technology (HIT) marketplace are shifting from licensed local software to hosted software solutions. ARRA has provisions which increase the financial benefits to the hospitals who achieve "meaningful use" of HIT in the near term. As capital markets have been tight, it is often advantageous for healthcare providers to explore hosted solutions which have limited initial capital outlays. Coinciding with the release of accessANYware 5.0, and market climates observed, the Company has made a dramatic shift in strategy away from its traditional model of licensed, locally installed software, towards our hosted delivery model. A desirable byproduct of this dramatic shift to the hosted model is much better visibility for future revenue streams based on backlog fulfillment from hosted contracts over typical five year or more contract periods; as well as a high percentage of contract renewals after the initial term. The Company believes this is a key to our long term success and return on investment for the Company's stockholders. In the near term, management's intention is to measure its success by revenue and revenue backlog, and level of EBITDA, rather than net profits.

Signed Agreements — Backlog

At April 30, 2010 Streamline Health has master agreements and purchase orders from customers and remarketing partners for systems and related services (excluding support and maintenance, and transaction-based application-hosting revenues), which have not been delivered or installed and if fully performed, would generate future revenues of approximately \$4,240,000 compared with \$6,854,000 at April 30, 2009. The related systems and services are expected to be delivered over the next two to three years. The decrease in the backlog is the result of fewer contracts entered into during the last three quarters of fiscal 2009, continuing into the first quarter of 2010. The \$188,000 Streamline Health software component of this backlog declined from the prior year of \$2,022,000 primarily due to the recognition of the revenue in the fourth quarter of fiscal 2009, for the delivery of accessANYware 5.0 to a Canadian customer. At April 30, 2010, Streamline Health had maintenance agreements or purchase orders, from customers and remarketing partners, which if fully performed, will generate future revenues of approximately \$5,078,000 compared with \$5,561,000 at April 30, 2009, through their respective renewal dates in fiscal year 2010 and 2011. The decrease results primarily from the recognition in fiscal 2009 of maintenance revenue from one long term maintenance contract for one large customer. At April 30, 2010, Streamline Health has entered into hosting agreements, which are expected to generate revenues in excess of \$9,310,000 through their respective renewal dates in fiscal years 2010 through 2015. The application-hosting backlog decreased from the \$11,890,000 at April 30, 2009, due to the decreased volume of new hosting business, and continued recognition of revenues from contracts signed in fiscal 2008.

	April 30, 2010	January 31, 2010	April 30, 2009
Streamline Health Software Licenses	\$ 188,000	\$ 201,000	\$ 2,022,000
Custom Software	107,000	105,000	138,000
Hardware and Third Party Software	145,000	171,000	524,000
Professional Services	3,800,000	3,977,000	4,170,000
Application Hosting Services	9,310,000	9,414,000	11,890,000
Recurring Maintenance	5,078,000	5,987,000	5,561,000
Total	<u>\$ 18,628,000</u>	<u>\$ 19,855,000</u>	<u>\$ 24,305,000</u>

Streamline Health believes a large percentage of its future revenues will come from remarketing agreements with GE Healthcare, and other HIS related vendors, such as the Telus Health agreement that was entered into in December 2007. Streamline Health continues to actively pursue remarketing agreements with other companies.

For descriptions of contracts signed in prior years, please see the “Contracts Overview” in the “Item 1. Business” section of the January 31, 2010 form 10-K. All contracts listed in the 10-K remain in effect at April 30, 2010.

In February 2010, Streamline Health entered into a hosted services agreement to provide its Audit Integrity Manager Workflow solution, along with the option to buy additional custom workflows as needed, to Children’s National Medical Center in Washington D.C. The solution will expedite the client’s third-party reimbursement and cash flow processes, and aid the client’s compliance processes.

In March 2010, Streamline Health entered into a purchase agreement to provide its integrated document management and workflow solution to East Orange General Hospital, located in East Orange, New Jersey. Streamline Health will implement its enterprise document workflow solution integrated into the hospital's GE Centricity electronic medical records solution. The total value of the contract is in excess of \$850,000. The solution allows for a single electronic view to the entire patient record, help improve physician satisfaction and enhance efficiency, and achieve meaningful adoption throughout the enterprise.

The commencement of revenue recognition varies depending on the size and complexity of the system, the implementation schedule requested by the customer, and usage by customers of the application-hosting services. Therefore, it is difficult for the Company to accurately predict the revenue it expects to achieve in any particular period. Streamline Health's master agreements generally provide that the customer may terminate its agreement upon a material breach by Streamline Health, or may delay certain aspects of the installation. There can be no assurance that a customer will not cancel all or any portion of a master agreement or delay installations. A termination or installation delay of one or more phases of an agreement, or the failure of Streamline Health to procure additional agreements, could have a material adverse effect on Streamline Health's business, financial condition, and results of operations.

Quarterly Operating Results

The Company recognized revenues in the first quarter of fiscal 2010 of approximately \$3.5 million, compared to \$3.8 million in the comparable prior quarter. The revenues recognized are derived primarily from recurring revenues recognized from hosted and maintenance contracts. The Company incurred an operating loss of approximately \$1.2 million in the first quarter 2010, compared to operating profit of \$28,000 in the first quarter fiscal 2009. Operating expenses were \$4.7 million, compared to \$3.7 million in the comparable prior quarter. The increase in operating expenses was due to several factors including an increase in amortization of capitalized software development costs. This increase in amortization expense is primarily due to the general release of accessANYware 5.0. In addition to amortization expense, the company increased investments made in professional services staffing, sales initiatives, professional fees, and increased compensation expenses.

The Company's revenues from proprietary systems sales have varied, and may continue to vary, significantly from quarter-to-quarter because of the volume and timing of systems sales and delivery. Professional services revenues also fluctuate from quarter-to-quarter because of the timing of the implementation services, project management, and timing of the recognition of revenues under generally accepted accounting principles. Conversely, revenues from hosted systems sales, and maintenance services do not fluctuate significantly from quarter-to-quarter, but have been increasing, on an annual basis, as the number of customers increase. Substantial portions of the operating expenses are fixed; therefore operating profits are expected to vary depending on the factors that drive fluctuations in revenues and the mix of proprietary versus hosted contracts sold.

Quarterly Statement of Operations(1)

	Three Months Ended April 30,	
	2010	2009
Systems sales	4.2%	9.3%
Services, maintenance and support	71.8	72.4
Application-hosting services	24.0	18.3
Total revenues	100.0	100.0
Cost of sales	72.7	57.6
Selling, general and administrative	47.9	32.4
Product research and development	13.3	9.2
Total operating expenses	133.9	99.2
Operating profit (loss)	(33.9)	0.8
Other income (expense), net	0.8	(0.4)
Income tax net benefit	—	—
Net earnings(loss)	(33.1)%	0.4%
Cost of systems sales	490.5%	191.8%
Cost of services, maintenance and support	54.3%	39.2%
Cost of application-hosting services	53.8%	62.8%

(1) Because a significant percentage of the operating costs are incurred at levels that are not necessarily correlated with revenue levels, a variation in the timing of systems sales and installations and the resulting revenue recognition can cause significant variations in operating results. As a result, period-to-period comparisons may not be meaningful with respect to the past operations nor are they necessarily indicative of the future operations of Streamline Health in the near or long-term. The data in the table is presented solely for the purpose of reflecting the relationship of various operating elements to revenues for the periods indicated.

Revenues

Revenues consisted of the following (in thousands):

	For the Three Months Ended		Dollars Change	Percent Change
	April 30,			
	2010	2009		
Proprietary software (1)	\$ 28	\$ 43	\$ (15)	(35%)
Hardware & third party software (1)	122	304	(182)	(60%)
Professional services (2)	659	802	(143)	(18%)
Maintenance & support (2)	1,885	1,914	(29)	(2%)
Application hosting services	850	688	162	24%
Total Revenues	\$ 3,544	\$ 3,751	\$ (207)	(6%)

- (1) Proprietary software and hardware are the components of the system sales line item
(2) Professional services and maintenance & support are the components of the service, maintenance and support line item. BPM consulting services are included in professional services.

Revenues for the three months ended April 30, 2010, were \$3,544,000 compared with \$3,751,000 in the comparable quarter of fiscal 2009. The quarter-over-quarter decrease was a result of a decrease in professional services and hardware and third-party software sales. These decreases are primarily attributable to fewer new proprietary and hosted contract sales during fiscal 2009 and the first quarter of fiscal 2010 that would generate professional services, hardware, and third-party software revenues in the implementation phases, as well as project delays by clients. The decrease in system sales was offset by an approximate \$162,000 increase in application hosting revenues due to the continued recognition of backlog revenues from hosted contracts.

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Operating Expenses

Operating expenses consisted of the following (in thousands):

	For the Three Months Ended		Dollars Change	Percent Change
	April 30,			
	2010	2009		
Cost of system sales	\$ 738	\$ 666	\$ 72	11%
Cost of services, maintenance and support	1,382	1,064	318	30%
Cost of application hosting	457	432	25	6%
Total cost of sales	\$ 2,577	\$ 2,162	\$ 415	19%
Selling, general, and administrative	1,698	1,215	483	40%
Research and development	470	346	124	36%
Total operating expenses	\$ 4,745	\$ 3,723	\$ 1,022	28%

Cost of systems sales includes amortization of capitalized software expenditures, royalties, and the cost of third-party hardware and software. The increase in the cost of systems sales is primarily the result of the increases in amortization due to the general release of accessANYware 5.0, and is partially offset by the change in accounting estimate relative to the amortization of capitalized software development costs. Additionally, this was offset by reduced hardware and third party software sales and the associated direct costs.

Cost of services, maintenance and support includes compensation and benefits for support and professional services personnel and the cost of third party maintenance contracts. The increase is primarily due to the increased investment in professional services staff and support for continued growth of the BPM services.

The cost of application-hosting services operations is relatively fixed, but subject to annual increases for the goods and services it requires. The increase is primarily attributable to increased depreciation and third party license and maintenance expenses as a result of the growing hosting center operations, and typical annual cost increases.

Selling, General and Administrative Expense

Selling, General and Administrative expenses consist primarily of compensation and related benefits and reimbursable travel and living expenses related to the Company's sales, marketing and administrative personnel; advertising and marketing expenses, including trade shows and similar type sales and marketing expenses; and general corporate expenses, including occupancy costs. This increase over the respective comparable prior periods is due to the investment in sales initiatives; increases in salary, commissions, and other compensation expenses; and professional fees relating to increased compliance and administration costs.

Product Research and Development Expense

Product research and development expenses consist primarily of compensation and related benefits; the use of independent contractors for specific near-term development projects; and an allocated portion of general overhead costs, including occupancy. Research and development expenses increased to \$470,000 from \$346,000 from the prior comparable quarter, primarily due to a decrease in costs eligible for capitalization. The Company capitalized \$696,000 and \$949,000. Therefore, total research and development expenditures were \$1,166,000 and \$1,295,000 in the first quarter of fiscal 2010 and 2009, respectively when considering both capitalized software development costs and non-capitalizable research and development expense. This decrease of \$129,000 is the result of the reduced resources necessary for research and development efforts, subsequent to the release of accessANYware 5.0 in the fourth quarter of fiscal 2009.

Operating Profit (loss)

The Company incurred an operating loss of \$1,201,000 in the first quarter of fiscal 2010, compared to an operating profit of \$28,000 in the first quarter of fiscal 2009. Decreased revenues from professional service fees, and increased investment in sales initiatives, increased compensation, and increased expense relating to amortization of capitalized software development costs, contributed to the loss for the quarter.

Other Income (Expense)

Interest expense in first quarter of fiscal 2010 was \$22,000 compared to \$7,000 in the comparable prior quarter. Interest expense was related to the working capital facility interest and fees, along with imputed interest for the capital lease. Interest expense from the working capital facility was \$11,000 in the first quarter of fiscal 2010 compared with \$7,000 in the comparable prior quarter. The increase in the interest expense results primarily from a larger average balance outstanding than in the prior comparable quarter. Interest expense from the capital lease was \$12,000 in the first quarter of fiscal 2010 compared with \$0 in the comparable quarter. The capital lease was entered into in January 2010.

Provision for Income Taxes

The tax provision in the first quarter of fiscal 2010 and 2009 is comprised of primarily state and local provisions.

Net Earnings (loss)

The Company incurred a net loss of \$1,176,000 in the first quarter of fiscal 2010, compared to net earnings of \$16,000 in the first quarter of fiscal 2009. Decreased revenues from professional service fees, and increased investment in sales initiatives, compensation, and increased expense relating to amortization of capitalized software development costs contributed to the loss for the quarter.

Liquidity and Capital Resources

Traditionally, Streamline Health has funded its operations, working capital needs, and capital expenditures primarily from a combination of cash generated by operations, bank loans, and revolving lines of credit. Streamline Health's liquidity is dependent upon numerous factors including: (i) the timing and amount of revenues and collection of contractual amounts from customers, (ii) amounts invested in research and development, capital expenditures, and (iii) the level of operating expenses, all of which can vary significantly from quarter-to-quarter.

Streamline Health has no significant obligations for capital resources, other than the \$1,700,000 borrowed under its bank line of credit at April 30, 2010, and the non-cancelable operating leases of approximately \$295,000 payable over the next four years, and \$423,000 for capital leases. Capital expenditures for property and equipment in 2010 are not expected to exceed \$1,000,000.

Net cash provided by operations in fiscal 2009 was \$1,600, an increase of approximately \$872,000 from the prior comparable quarter. The increase was primarily due to a decrease in accounts and contracts receivable, including current and long-term portions, as a result of the decrease in the sales of customer contracts where revenue was recorded prior to the associated contractual customer invoicing milestones, and significant cash collections during the quarter. This is coupled with a decrease in hardware and third party software sales, and the decrease in deferred revenues which reflects the revenue recognition of prepaid maintenance contracts during fiscal 2010, net of any additional payments received in 2010, along with the timing of any payments received.

Net cash used in investing activities was \$884,000, a decrease of \$267,000 from the prior comparable quarter. This decrease was primarily due to the decrease in capitalized software development costs, net, which is the result of certain projects reaching technological feasibility for which development cost began being capitalized relating to the development of the Company's core solutions and the expanded work flow module development.

The net cash provided by financing activities is primarily the net change shown for the line of credit, which represents total borrowings under the line.

At January 31, 2010, Streamline Health had cash on hand of \$1,026,000. Streamline Health believes that its present cash position, combined with cash generation currently anticipated from operations, the availability of the revolving credit facility, and possible access to new funding sources will be sufficient to meet anticipated cash requirements for the next twelve months. However, continued expansion of the Company will require additional resources. The Company may need to incur debt, obtain an additional infusion of capital, or a combination of both, depending on the extent of the expansion of the Company and future revenues and expenses. However, there can be no assurance Streamline Health will be able to do so. The Company is evaluating financing options available to the Company.

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Notwithstanding the current levels of revenues and expenses, for the foreseeable future, Streamline Health will need to continually assess its revenue prospects compared to its then current expenditure levels. If it does not appear likely that revenues will increase, it may be necessary to reduce operating expenses or raise cash through additional borrowings, the sale of assets, or other equity financing. Certain of these actions will require current lender approval. However, there can be no assurance Streamline Health will be successful in any of these efforts. If it is necessary to significantly reduce operating expenses, this could have an adverse effect on future operating performance.

To date, inflation has not had a material impact on Streamline Health's revenues or expenses.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of the annual report on Form 10-K for the fiscal year ended January 31, 2010. The Company's exposures to market risk have not changed materially since January 31, 2010.

Item 4T. CONTROLS AND PROCEDURES

Streamline Health maintains disclosure controls and procedures that are designed to ensure that there is reasonable assurance that the information required to be disclosed in Streamline Health's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Streamline Health's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" in Exchange Act Rules 13a-15(e) and 15d-15(e). In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of Streamline Health's senior management, including the Chief Executive Officer and Interim Chief Financial Officer, of the effectiveness of the design and operation of Streamline Health's disclosure controls and procedures to provide reasonable assurance of achieving the desired objectives of the disclosure controls and procedures. Based on that evaluation, Streamline Health's management, including the Chief Executive and Interim Chief Financial Officer, concluded that there is reasonable assurance that Streamline Health's disclosure controls and procedures were effective as of the end of the period covered by this report and there have been no changes in Streamline Health's internal control or in the other controls during the quarter ended April 30, 2010 that could materially affect, or is reasonably likely to materially affect, internal controls over financial reporting.

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Part II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Streamline Health is, from time to time, a party to various legal proceedings and claims, which arise, in the ordinary course of business. Streamline Health is not aware of any legal matters that will have a material adverse effect on Streamline Health's consolidated results of operations or consolidated financial position.

Item 1A. RISK FACTORS

In addition to the other information set forth in this report and the risk factors set forth below, you should carefully consider the risk factors discussed in Part I, "Item 1A, Risk Factors" in the Annual Report on Form 10-K for the fiscal year ended January 31, 2010. The risk factors in the Annual Report have not materially changed since January 31, 2010, but are not the only risks facing the Company. In addition, risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company, its financial condition and/or operating results.

Item 3. DEFAULTS UPON SENIOR SECURITIES

The Company was not in default of its existing credit facility at April 30, 2010.

Item 6. EXHIBITS

(a) Exhibits

- 3.1(a) Certificate of Incorporation of Streamline Health Solutions, Inc. (*)
- 3.1(b) Certificate of Incorporation of Streamline Health Solutions, Inc., amendment No. 1 (*)
- 3.2 Bylaws of Streamline Health Solutions, Inc. (*)
- 11 Computation of earnings (loss) per common share
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as Amended
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as Amended
- 32.1 Certification of the Chief Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of the Chief Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

(*) Incorporated herein by reference from, the Registrant's SEC filings.
(See INDEX TO EXHIBITS)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STREAMLINE HEALTH SOLUTIONS, INC.

DATE: June 9, 2010

By: /s/ J. Brian Patsy
J. Brian Patsy
Chief Executive Officer

DATE: June 9, 2010

By: /s/ Donald E. Vick, Jr.
Donald E. Vick, Jr.
Interim Chief Financial Officer

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Exhibit</u>
3.1(a)	Certificate of Incorporation of Streamline Health Solutions, Inc. f/k/a/ LanVision Systems, Inc. Previously filed with the Commission and incorporated herein by reference from, the Registrant's (LanVision System, Inc.) Registration Statement on Form S-1, File Number 333-01494, as filed with the Commission on April 15, 1996
3.1(b)	Certificate of Incorporation of Streamline Health Solutions, Inc. f/k/a LanVision Systems, Inc., amendment No. 1 Previously filed with the Commission and incorporated herein by reference from the Registrant's Form 10-Q, as filed with the Commission on September 8, 2006
3.2	Bylaws of Streamline Health Solutions, Inc. Previously filed with the Commission and incorporated herein by reference from the Registrant's Form 10-Q, as filed with the Commission on June 5, 2007
11	Computation of Earnings (Loss) Per Common Share
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as Amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as Amended
32.1	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

STREAMLINE HEALTH SOLUTIONS, INC.

Computation of (loss) per share

	Three Months Ended April 30,	
	2010	2009
Net (loss)	<u>\$ (1,176,385)</u>	<u>\$ 16,341</u>
Average shares outstanding	9,413,367	9,354,782
Stock options & purchase plan:		
Total options & purchase plan shares	—	163,718
Assumed treasury stock buyback	—	(114,136)
Convertible redeemable preferred stock assumed converted	—	—
Number of shares used in per common share computation	<u>9,413,367</u>	<u>9,404,364</u>
Basic net (loss) per share of common stock	<u>\$ (0.13)</u>	<u>\$ 0.00</u>
Diluted net (loss) per share of common stock	<u>\$ (0.13)</u>	<u>\$ 0.00</u>

STREAMLINE HEALTH SOLUTIONS, INC.

Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as Amended

I, J. Brian Patsy, certify that:

I have reviewed this quarterly report on Form 10-Q of Streamline Health Solutions, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 9, 2010

/s/ J. Brian Patsy

Chief Executive Officer and President

STREAMLINE HEALTH SOLUTIONS, INC.

Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as Amended

I, Donald E. Vick, Jr., certify that:

I have reviewed this quarterly report on Form 10-Q of Streamline Health Solutions, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 9, 2010

/s/ Donald E. Vick, Jr.

Interim Chief Financial Officer

STREAMLINE HEALTH SOLUTIONS, INC.

Certification of the Chief Executive Officer Pursuant to
18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

I, J. Brian Patsy, Chief Executive Officer and President of Streamline Health Solutions, Inc. “(the Company)”, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended April 30, 2010 (the “Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

June 9, 2010

/s/ J. Brian Patsy

Chief Executive Officer and President

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

STREAMLINE HEALTH SOLUTIONS, INC.

Certification of the Chief Financial Officer Pursuant to
18 U.S.C. 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002

I, Donald E. Vick, Jr., Interim Chief Financial Officer of Streamline Health Solutions, Inc. “(the Company)”, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- (3) The Quarterly Report on Form 10-Q of the Company for the quarter ended April 30, 2010 (the “Report”) fully complies with the requirements of section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
- (4) The information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

June 9, 2010

/s/ Donald E. Vick, Jr.

Interim Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.