

Edgar Filing: STORAGENETWORKS INC - Form 4

STORAGENETWORKS INC
Form 4
February 12, 2001

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

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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(f) of the Investment Company Act of 1940

[] Check this box if no longer subject to Section 16. Form 4 or Form 5
obligations may continue. See Instruction 1(b).

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1. Name and Address of Reporting Person*

Blumenthal,	Randall	A.
-----	-----	-----
(Last)	(First)	(Middle)
c/o Goldman, Sachs & Co.		
85 Broad Street		
-----	-----	-----
	(Street)	
New York,	New York	10004
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(City)	(State)	(Zip)

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2. Issuer Name and Ticker or Trading Symbol

StorageNetworks, Inc.
(STOR)

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3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)

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4. Statement for Month/Year

January/2001

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5. If Amendment, Date of Original (Month/Year)

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

[X]	Director	[]	10% Owner
[]	Officer (give title below)	[]	Other (specify below)

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7. 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)	3. Transaction Code (Instr. 8) Code	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount		6. Price
				(A)	(D)	
Common Stock	01/10/01	P		500		\$19.75
Common Stock	01/10/01	P		500		\$19.8125
Common Stock	01/10/01	P		500		\$20.00
Common Stock	01/10/01	S		1,500		\$19.75

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).

FORM 4 (continued)

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

2. Conver- sion or Exer-	4.	5. Number of Derivative Securities	6. Date	7. Title and Amount of Underlying Securities
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1.	Price of	Trans- action Date	Trans- action Code	Trans- action Code	Acquired (A) or Disposed of (D)	Exercisable and Expiration Date (Month/Day/Year)	(Instr. 3 and 4)	Amount or Number of Shares
1.	\$8.00					03 01/27/10	Common Stock	25,

Explanation of Responses:

01: The Reporting Person is a managing director of Goldman, Sachs & Co. ("Goldman Sachs"). Goldman Sachs is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. ("GS Group"). The Reporting Person disclaims beneficial ownership of the securities reported herein except to the extent of his pecuniary interest therein, if any.

02: The securities reported herein as indirectly purchased and sold were purchased and sold and were owned directly by Spear, Leeds & Kellogg, L.P. ("SLK"). SLK is an indirect wholly-owned subsidiary of GS Group. Without admitting any legal obligation, Goldman Sachs or an affiliate will remit appropriate profits, if any, to the Company.

Goldman Sachs and GS Group may be deemed to own beneficially and indirectly, in aggregate, 11,087,447 shares of Common Stock through certain investment partnerships of which affiliates of Goldman Sachs and GS Group are the general partner or managing partner (the "Limited Partnerships"). Goldman Sachs is the investment manager of certain of the Limited Partnerships.

03: These options were granted pursuant to the Issuer's Amended and Restated 1998 Stock Incentive Plan to the Reporting Person. These options are immediately exercisable in full, subject to the Issuer's right to repurchase a percentage of any shares of Common Stock issued upon exercise of these options ("Shares"), as follows: If the Reporting Person ceases to be either an employee, officer or director of the Issuer at any time during the 12 month period between 01/26/01 and 01/26/02, the Issuer has the right to repurchase 50% of the Shares. These repurchase rights of the Issuer terminate in any event upon certain acquisition events of the Issuer or upon the death or disability of the Reporting Person. The Reporting Person has an understanding with GS Group pursuant to which he holds such options for the benefit of GS Group.

By: s/ Roger S. Begelman

February 7, 2001

**Signature of Reporting Person
Attorney-in-fact

Date

** 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 provided is insufficient, see Instruction 6 for procedures.

Alternatively, this Form is permitted to be submitted to the

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Commission in electronic format at the option of the reporting person pursuant to Rule 101(b)(4) of Regulation S-T.