

ArcSight Inc  
 Form 4  
 February 22, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

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).

**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 \*  
 KPCB X ASSOCIATES LLC

(Last) (First) (Middle)

C/O KLEINER PERKINS  
 CAUFIELD & BYERS, 2750 SAND  
 HILL ROAD

(Street)

MENLO PARK, CA 94205

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 ArcSight Inc [ARST]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/20/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_X\_\_\_ 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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	02/20/2008		C		221,906	A	\$ 0 679,246	I	By: Kleiner Perkins Caufield & Byers X-A (2)
Common Stock	02/20/2008		C		1,345,237	A	\$ 0 2,024,483	I	By: Kleiner Perkins Caufield & Byers

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Common Stock	02/20/2008		C	6,259	A	\$ 0	2,030,742 <u>(1)</u>	I	X-A <u>(2)</u> By: Kleiner Perkins Caufield & Byers X-B <u>(2)</u>
Common Stock	02/20/2008		C	37,941	A	\$ 0	2,068,683 <u>(1)</u>	I	By: Kleiner Perkins Caufield & Byers X-B <u>(2)</u>

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

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(9-02)

**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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
				Code V	(A) (D)	Date Exercisable Expiration Date	Title	
Series A Preferred Stock	<u>(3)</u>	02/20/2008		C	176,362	<u>(3)</u> <u>(3)</u>	Common Stock	221,906
Series B Preferred Stock	<u>(4)</u>	02/20/2008		C	1,345,237	<u>(4)</u> <u>(4)</u>	Common Stock	1,345,237
Series A Preferred Stock	<u>(3)</u>	02/20/2008		C	4,974	<u>(3)</u> <u>(3)</u>	Common Stock	6,259

Series B Preferred Stock	(4)	02/20/2008	C	37,941	(4)	(4)	Common Stock	37,941
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KPCB X ASSOCIATES LLC C/O KLEINER PERKINS CAUFIELD & BYERS 2750 SAND HILL ROAD MENLO PARK, CA 94205			X	

## Signatures

/s/ Susan Biglieri, Attorney-in-fact for Theodore E. Schlein, a Managing Director of the Reporting Person. 02/22/2008

\_\_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) This amount includes shares held indirectly by Kleiner Perkins Caufield & Byers X-A, L.P., a California limited partnership.  
The Reporting Person is the general partner of Kleiner Perkins Caufield & Byers X-A, L.P., a California limited partnership and Kleiner Perkins Caufield & Byers X-B, L.P., a California limited partnership. Shares are held for convenience in the name of "KPCB Holdings, Inc. as nominee". KPCB Holdings, Inc. has no voting, dispositive or pecuniary interest in any such shares. The Reporting Person disclaims beneficial ownership of these securities except to the extent of its pecuniary interest therein.
- (2) Each share of Series A Preferred Stock automatically converted to Common Stock on a 1-for-1.25824093282596 basis upon the closing of the Issuer's initial public offering. There was no expiration date.
- (3) Each share of Series B Preferred Stock automatically converted to Common Stock on a 1-for-1 basis upon the closing of the Issuer's initial public offering. There was no expiration date.
- (4) Each share of Series B Preferred Stock automatically converted to Common Stock on a 1-for-1 basis upon the closing of the Issuer's initial public offering. There was no expiration date.

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.