

CAPELLA EDUCATION CO
Form 4
November 28, 2007

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 *
Smith David W

2. Issuer Name and Ticker or Trading Symbol
CAPELLA EDUCATION CO
[CPLA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

225 SOUTH 6TH STREET, 9TH FLOOR

11/26/2007

(Street)

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

MINNEAPOLIS, MN 55402

(City) (State) (Zip)

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 Price (D)		
Common stock	11/26/2007		M		2,500 A \$ 11.12	10,078	D
Common stock	11/26/2007		M		500 A \$ 20	10,578	D
Common stock	11/26/2007		M		2,500 A \$ 20	13,078	D
Common stock	11/26/2007		M		2,500 A \$ 20	15,578	D
Common stock	11/26/2007		M		1,996 A \$ 36.61	17,574	D

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Common stock 11/26/2007 F 3,159 D \$ 66.76 14,415 D

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)	8. Amount or Number of Shares
Stock option (right to buy)	\$ 11.12	11/26/2007		M	2,500	<u>(1)</u> 04/23/2013	Common stock	2,500
Stock option (right to buy)	\$ 20	11/26/2007		M	500	<u>(1)</u> 10/27/2014	Common stock	500
Stock option (right to buy)	\$ 20	11/26/2007		M	2,500	<u>(1)</u> 08/12/2015	Common stock	2,500
Stock option (right to buy)	\$ 20	11/26/2007		M	2,500	<u>(1)</u> 04/20/2016	Common stock	2,500
Stock option (right to buy)	\$ 36.61	11/26/2007		M	1,996	<u>(1)</u> 05/09/2014	Common stock	1,996

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smith David W 225 SOUTH 6TH STREET 9TH FLOOR MINNEAPOLIS, MN 55402	X			

Signatures

/s/ Gregory W. Thom, Attorney-in-fact for David W.
Smith

11/28/2007

__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) Immediately

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.