Offerman Michael J
Form 4
November 03, 2009

FORM 4

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

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

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 * Offerman Michael J	2. Issuer Name **and** Ticker or Trading Symbol CAPELLA EDUCATION CO [CPLA]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) _____ Director _____ 10% Owner __X__ Officer (give title _____ below) _____ Other (specify below) Vice Chairman
(Last) (First) (Middle) 225 SOUTH 6TH STREET, 9TH FLOOR	3. Date of Earliest Transaction (Month/Day/Year) 10/30/2009	
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common stock	10/30/2009		M		4,287	A	$ 20	4,287	D	
Common stock	10/30/2009		M		1,504	A	$ 20	5,791	D	
Common stock	10/30/2009		M		209	A	$ 20	6,000	D	
Common stock	10/30/2009		S		6,000	D	$ 69.0364 [(1)]	0	D	
								2,559	I	

1

| Common stock | | | | | | | | | By Retirement Savings Plan |

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. Der Sec (In
									Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V	(A)	(D)						
Stock option (right to buy)	$ 20	10/30/2009		M			4,287		(2)	02/14/2016	Common stock	4,287	
Stock option (right to buy)	$ 20	10/30/2009		M			1,504		(3)	08/01/2013	Common stock	1,504	
Stock option (right to buy)	$ 20	10/30/2009		M			209		(2)	08/11/2015	Common stock	209	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Offerman Michael J 225 SOUTH 6TH STREET 9TH FLOOR MINNEAPOLIS, MN 55402			Vice Chairman	

Signatures

/s/ Kimberly F. Stephan, Attorney-in-Fact for Michael J. Offerman

11/03/2009

<u>**</u>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)   Sales made during normal course of business on 10/30/2009 at share prices ranging between $68.88 and $69.29.

(2)   Immediately

(3)   Vests 25% on each anniversary of 8/2/2006 grant 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.