CAPELLA EDUCATION CO

Form 4 May 12, 2011

FORM 4

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

Check this box if no longer

subject to Section 16. Form 4 or

obligations

may continue.

See Instruction

Form 5

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

GILLIGAN J KEVIN

2. Issuer Name and Ticker or Trading

Symbol

CAPELLA EDUCATION CO

[CPLA]

(Last) (First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year) 05/10/2011

225 SOUTH 6TH STREET, 9TH **FLOOR**

(Street)

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

OMB APPROVAL

Expires:

response...

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

_X__ Director 10% Owner X_ Officer (give title Other (specify

Chairman and CEO

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

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

MINNEAPOLIS, MN 55402

(City) (State) (Zip) 1. Title of 2. Transaction Date 2A. Deemed Security

(Instr. 3)

3. 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or

Code Disposed of (D) (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership

(Instr. 4) (Instr. 4)

Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Conversion 3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if

5. Number of TransactionDerivative

6. Date Exercisable and **Expiration Date**

7. Title and Amount of **Underlying Securities**

(9-02)

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)	Acqui or Dis (D) (Instr.	Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		/Year)	(Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted stock unit	(1)	05/10/2011		A	10,3	50	<u>(1)</u>	<u>(1)</u>	Common stock	10,360
Stock option (right to buy)	\$ 50.53	05/10/2011		A	53,3	30	(2)	05/09/2018	Common stock	53,380

Reporting Owners

Reporting Owner Name / Address	Relationships						
1 8	Director	10% Owner	Officer	Other			
GILLIGAN J KEVIN 225 SOUTH 6TH STREET 9TH FLOOR MINNEAPOLIS, MN 55402	X		Chairman and CEO				

Signatures

/s/ Kimberly F. Stephan, Attorney-in-Fact for J. Kevin
Gilligan

**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) Each restricted stock unit represents the right to receive one share of CPLA common stock. The restricted stock units vest and will be settled in vested shares after a three-year cliff vesting period, effective 5/10/14.
- (2) This option becomes exercisable in four equal, annual installments beginning on the first anniversary of the date of the grant, 5/10/12. 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.

Reporting Owners 2