

GILLIGAN J KEVIN

Form 4

August 03, 2018

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

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

OMB APPROVAL

OMB
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(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]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
225 SOUTH 6TH STREET, 9TH
FLOOR

3. Date of Earliest Transaction
(Month/Day/Year)
08/01/2018

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Chairman & CEO

(Street)
MINNEAPOLIS, MN 55402

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

(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 (D)	Price
Common Stock	08/01/2018		D		158,395	D	<u>(1)</u> <u>(2)</u> 0

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
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SEC 1474
(9-02)

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

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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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 65.4	08/01/2018		D		33,925		<u>(3)</u>	02/18/2025	Common Stock	33,925
Employee Stock Option (right to buy)	\$ 45.46	08/01/2018		D		67,786		<u>(4)</u>	02/21/2026	Common Stock	67,786
Employee Stock Option (right to buy)	\$ 76.7	08/01/2018		D		40,307		<u>(5)</u>	02/27/2027	Common Stock	40,307

Reporting Owners

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

Signatures

/s/ Kelly Jacobus as Attorney-in-Fact for J. Kevin
Gilligan

08/03/2018

__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 share of common stock of Capella Education Company ("Capella") reported as disposed of herein was cancelled and converted into the right to receive 0.875 shares of Strategic Education, Inc. (the "Exchange Ratio") at the effective time of the merger pursuant to that certain Agreement and Plan of Merger, dated as of October 29, 2017, by and among Strayer Education, Inc. (which was renamed "Strategic Education, Inc." on August 1, 2018), Capella and Sarg Sub Inc. ("Merger Sub"), whereby the parties thereto effected the merger of Capella into Merger Sub to become a wholly owned subsidiary of Strayer Education, Inc. (the "Merger"). No additional

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consideration was received in connection with the disposition of such securities.

Includes 25,508 restricted stock unit awards to acquire common stock of Capella ("Capella RSUs"), 15,577 of which were due to vest on February 22, 2019 and 9,931 of which were due to vest on February 27, 2020. Pursuant to the Merger Agreement, each Capella RSU was

(2) disposed of in exchange for a number of restricted stock unit awards to acquire common stock of Strategic Education, Inc. ("Strategic RSUs") based on the Exchange Ratio. The Strategic RSUs will be subject to substantially the same terms and conditions of the Capella RSUs. No additional consideration was received in connection with the disposition of such securities.

This option provided for vesting in four equal annual installments beginning February 19, 2016, of which 33,925 shares remained unexercised. Pursuant to the Merger Agreement, each unexercised option was disposed of in exchange for options to acquire a number of

(3) Strategic Education, Inc.'s common stock ("Strategic common stock") shares based on the Exchange Ratio with an exercise price per share of Strategic common stock equal to the exercise price per share of the Capella stock options divided by the Exchange Ratio. No additional consideration was received in connection with the disposition of such securities.

This option provided for vesting in four equal annual installments beginning February 22, 2017, of which 67,786 shares remained unexercised. Pursuant to the Merger Agreement, each unexercised option was disposed of in exchange for options to acquire a number of

(4) Strategic common stock shares based on the Exchange Ratio with an exercise price per share of Strategic common stock equal to the exercise price per share of the Capella stock options divided by the Exchange Ratio. No additional consideration was received in connection with the disposition of such securities.

This option provided for vesting in four equal annual installments beginning February 27, 2018, of which 40,307 shares remained unexercised. Pursuant to the Merger Agreement, each unexercised option was disposed of in exchange for options to acquire a number of

(5) Strategic common stock shares based on the Exchange Ratio with an exercise price per share of Strategic common stock equal to the exercise price per share of the Capella stock options divided by the Exchange Ratio. No additional consideration was received in connection with the disposition of such securities.

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.