

CAPELLA EDUCATION CO
Form 4
June 11, 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 *
Lewis S Joshua

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)
06/07/2007

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

C/O SALMON RIVER
CAPITAL, 680 FIFTH AVENUE,
8TH FLOOR

(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

NEW YORK, NY 10019

(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	06/07/2007		J ⁽¹⁾⁽²⁾		680,000	D	<u>(1)</u> <u>(2)</u>
Common Stock					55,736	I	See footnote <u>(3)</u>
Common Stock					10,485	D	
Common Stock					272,222	I	See

Stock								footnote (4)
Common Stock				146,018		I		See footnote (5)

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

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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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lewis S Joshua C/O SALMON RIVER CAPITAL 680 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10019	X			

Signatures

/s/ S. Joshua
Lewis 06/11/2007

**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).

Reported securities were distributed pro rata to the members of Insight-Salmon River LLC ("ISR") in connection with its dissolution and liquidation. The managing member of ISR was Salmon River Capital LLC ("SRC"), which generally controlled the voting power over the shares held by ISR, but had shared voting power over such shares with respect to certain matters, as well as shared investment power over such shares. The reporting person, S. Joshua Lewis, is the managing member of SRC. Accordingly, the reporting person shared voting and investment powers with respect to the shares beneficially owned by ISR. (continued in footnote 2)

(1) (continued from footnote 1) 170,000 of the shares distributed by ISR are held pursuant to an agreement of partnership between the reporting person and the other members of ISR. The reporting person has voting and investment powers with respect to such shares. The reporting person disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. 680,000 of the shares distributed by ISR were distributed to third party members of ISR. The reporting person disclaims beneficial ownership of such shares.

(2) Reported securities are owned directly by Salmon River Capital II, L.P. ("SRC-II"). The general partner of SRC-II is Salmon River Capital GP, LLC ("SRCGP"), and the reporting person is the sole member of SRCGP. Accordingly, the reporting person has voting and investment powers with respect to the shares beneficially owned by SRC-II. The reporting person disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(3) Reported securities are owned directly by Salmon River Capital I LLC ("SRC-I"). The managing member of SRC-I is SRC, and the reporting person is the managing member of SRC. The reporting person has voting and investment powers with respect to the shares beneficially owned by SRC-I. The reporting person disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(4) Reported securities are owned directly by Salmon River CIP LLC ("SRC-CIP"). The managing member of SRC-CIP is SRC, and the reporting person is the managing member of SRC. The reporting person has voting and investment powers with respect to the shares beneficially owned by SRC-CIP. The reporting person disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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