

CAPELLA EDUCATION CO
Form 4
November 05, 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

(Last) (First) (Middle)

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

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
11/02/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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)
Common Stock	11/02/2007		J ⁽¹⁾	16,066 D	(1) 13,934	I	See ⁽¹⁾
Common Stock					98,981	I	See ⁽²⁾
Common Stock					68,051	I	See ⁽³⁾
Common Stock					28,395	I	See ⁽⁴⁾
					307	I	See ⁽⁵⁾

Common Stock			
Common Stock	58,390	I	See <u>(6)</u>
Common Stock	6,545	I	See <u>(7)</u>
Common Stock	480	D <u>(8)</u>	

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 (Instr. 5)
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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 11/02/2007

**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 disposed of pursuant to a pro rata distribution by Salmon River Capital II, L.P. ("SRC-II") to its partners. The general partner of SRC-II is Salmon River Capital GP, LLC ("SRCGP"), and the reporting person is the sole member of SRCGP. The reporting person has voting and investment powers with respect to the securities beneficially owned by SRC-II. The reporting person disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein.
- (1) Reported securities are held by Boundary Creek LLC ("BC LLC"). The reporting person is the sole member of BC LLC and has voting and investment power with respect to the securities beneficially owned by BC LLC.
- Reported securities are held by Salmon River Capital I LLC ("SRC-I"). The managing member of SRC-I is Salmon River Capital LLC ("SRC"), and the reporting person is the sole member of SRC. The reporting person has voting and investment powers with respect to the securities beneficially owned by SRC-I. The reporting person disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein.
- (3) Reported securities are held by SRC. The reporting person is the sole member of SRC and has voting and investment powers with respect to the securities beneficially owned by SRC.
- (4) Reported securities are held by the reporting person's spouse.
- Reported Securities are held by Pistol Creek LLC ("PC LLC"). The reporting person and the reporting person's spouse are the sole members of PC LLC and the reporting person has voting and investment powers with respect to the securities beneficially owned by PC LLC.
- (6) Reported securities are held by SRCGP. 5,775 of the reported securities were reported on a previously filed Form 4 as being beneficially owned by SRC II. Such securities were distributed by SRC II to SRCGP on November 2, 2007 pursuant to a pro rata distribution to its members. The reporting person is the sole member of SRCGP and has voting and investment powers with respect to the securities beneficially owned by SRCGP.
- (7) Reported securities are held by the Reporting Person. Reported securities were reported on a previously filed Form 4 as being as being beneficially owned by SRC II. Such securities were distributed by SRC II to the reporting person on November 2, 2007 pursuant to a pro rata distribution to its members.
- (8)

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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