

CAPELLA EDUCATION CO  
Form 4  
November 15, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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)  
11/13/2007

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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	11/13/2007		J <sup>(1)</sup>	68,051 D <u>(1)</u>	0	I	See <sup>(1)</sup>
Common Stock	11/13/2007		J <sup>(2)</sup>	13,934 D <u>(2)</u>	0	I	See <sup>(2)</sup>
Common Stock					10,678	I	See <sup>(3)</sup>
Common Stock					150	I	See <sup>(4)</sup>
					8,024	I	See <sup>(5)</sup>

Common Stock				
Common Stock	897	D	(6)	
Common Stock	58,224	I		See (7)
Common Stock	14,312	I		See (8)

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 number.** SEC 1474 (9-02)

**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. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## 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 11/13/2007

\*\*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).

(1) Reported securities were disposed of pursuant to a pro rata distribution by Salmon River Capital I LLC ("SRC-I") to its members. 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.

(2) 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.

(3) Reported securities are held by SRC. The reported securities were reported on a previously filed Form 4 as being beneficially owned by SRC-I. Such securities were distributed by SRC-I to SRC on November 13, 2007 pursuant to a pro rata distribution to its members. 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. The reported securities were reported on a previously filed Form 4 as being beneficially owned by SRC-I. Such securities were distributed by SRC-I to the reporting person's spouse on November 13, 2007 pursuant to a pro rata distribution to its members.

(5) Reported securities are held by SRCGP. 1,479 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 13, 2007 pursuant to a pro rata distribution to its partners. The reporting person is the sole member of SRCGP and has voting and investment powers with respect to the securities beneficially owned by SRCGP.

(6) Reported securities are held by the Reporting Person. 417 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 the reporting person on November 13, 2007 pursuant to a pro rata distribution to its partners.

(7) 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.

(8) 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.

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.