

CAPELLA EDUCATION CO
Form 4
November 16, 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)
11/14/2007

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 11/14/2007 | | S | D | 1,832 | \$ 71.01 | 56,392 I See <u>(1)</u> |
| Common Stock | 11/14/2007 | | S | D | 2,200 | \$ 71.05 | 54,192 I See <u>(1)</u> |
| Common Stock | 11/14/2007 | | S | D | 1,368 | \$ 71.15 | 52,824 I See <u>(1)</u> |
| Common Stock | 11/15/2007 | | S | D | 1,200 | \$ 71.5 | 51,624 I See <u>(1)</u> |
| | 11/14/2007 | | S | D | 1,865 | \$ 71 | 8,813 I See <u>(2)</u> |

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| | | | | | | | | |
|--------------|------------|---|-------|---|----------|-------|---|----------------|
| Common Stock | | | | | | | | |
| Common Stock | 11/14/2007 | S | 2,320 | D | \$ 71.01 | 6,493 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 1,818 | D | \$ 71.05 | 4,675 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 100 | D | \$ 71.06 | 4,575 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 656 | D | \$ 71.15 | 3,919 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 100 | D | \$ 71.16 | 3,819 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 365 | D | \$ 71.25 | 3,454 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 400 | D | \$ 71.26 | 3,054 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 100 | D | \$ 71.27 | 2,954 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 169 | D | \$ 71.36 | 2,785 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 700 | D | \$ 71.4 | 2,085 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 100 | D | \$ 71.41 | 1,985 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 100 | D | \$ 71.49 | 1,885 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 400 | D | \$ 71.5 | 1,485 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 100 | D | \$ 71.54 | 1,385 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 300 | D | \$ 71.63 | 1,085 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 155 | D | \$ 71.67 | 930 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 200 | D | \$ 71.71 | 730 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 100 | D | \$ 71.72 | 630 | I | See <u>(2)</u> |
| Common Stock | 11/14/2007 | S | 200 | D | \$ 71.74 | 430 | I | See <u>(2)</u> |
| | 11/14/2007 | S | 430 | D | | 0 | I | See <u>(2)</u> |

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| | | | | | | | | |
|-----------------|------------|--|---|-----|----|-------|--------|--------------------|
| Common Stock | | | | | \$ | 71.75 | | |
| Common Stock | 11/14/2007 | | S | 150 | D | \$ | 71.25 | 0 I See <u>(3)</u> |
| Common Stock | | | | | | | 8,024 | I See <u>(4)</u> |
| Common Stock | | | | | | | 14,312 | I See <u>(5)</u> |
| Common Stock | | | | | | | 897 | D <u>(6)</u> |

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. Nu Deriv Secur Bene Own Follo Repor Trans (Instr |
|---|--|---|---|--------------------------------------|--|--|---|---|---|
| | | | | | | 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

11/15/2007

__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 by Boundary Creek, LLC ("BC LLC"). The reporting person is the sole member of BC LLC and has voting and investment powers with respect to the securities beneficially owned by BC LLC.
- (2) Reported securities were disposed of by Salmon River Capital, LLC ("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.
- (3) Reported securities were disposed of by the reporting person's spouse.
- (4) Reported securities are held by Salmon River Capital GP, LLC ("SRCGP"). The reporting person is the sole member of SRCGP and has voting and investment powers with respect to the securities beneficially owned by SRCGP.
- (5) 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 the reporting person.

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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