

CAPELLA EDUCATION CO
Form 4
November 29, 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)
11/27/2007

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) Code V Amount Price | | | |
| Common Stock | 11/27/2007 | | S | 4,552 D \$ 67 | 9,760 | I | See ⁽¹⁾ |
| Common Stock | 11/28/2007 | | S | 104 D \$ 70.39 | 7,150 | I | See ⁽²⁾ |
| Common Stock | 11/28/2007 | | S | 26 D \$ 70.39 | 1,641 | I | See ⁽³⁾ |
| Common Stock | | | | | 18,224 | I | See ⁽⁴⁾ |

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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.

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(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 Owned Following Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | 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
11/29/2007

**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 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. For additional transactions by PC LLC, see Exhibit 99.1.
- (2) Reported securities were disposed of 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. For additional transactions by SRCGP, see Exhibit 99.2.
- (3)

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Reported securities were disposed of by S. Joshua Lewis LLC ("SJL LLC"). The reporting person is the sole member of SJL LLC and has voting and investment powers with respect to the securities beneficially owned by SJL LLC. 897 of the reported securities were reported on a previously filed Form 4 as being beneficially owned by the reporting person. The reporting person contributed such securities to SJL LLC immediately prior to such disposition. In addition, 770 of the reported securities were reported on a previously filed Form 4 as being beneficially owned by SRCGP. SRCGP contributed such securities to SJL LLC immediately prior to such disposition. For additional transactions by SJL LLC, see Exhibit 99.3.

- (4) 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 powers with respect to the securities beneficially owned by BC LLC.

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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