

CAPELLA EDUCATION CO  
Form SC 13D/A  
September 12, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. 3)\*  
Capella Education Company**

(Name of Issuer)  
Common Stock, par value \$0.01 per share

(Title of Class of Securities)  
139594 10 5

(CUSIP Number)  
Carla S. Newell  
c/o Technology Crossover Ventures  
528 Ramona Street  
Palo Alto, California 94301  
(650) 614-8200

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)  
August 31, 2007

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing

information  
which would  
alter disclosures  
provided in a  
prior cover  
page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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NAMES OF REPORTING PERSONS:

- 1 TCV V, L.P.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):  
See item 2 for identification of the General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

- 2  
(a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

- 4  
AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e):

- 5

CITIZENSHIP OR PLACE OF ORGANIZATION:

- 6  
DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 850,839 SHARES OF COMMON STOCK (A)

SHARED VOTING POWER:

8  
SHARES BENEFICIALLY OWNED BY -0- SHARES OF COMMON STOCK

SOLE DISPOSITIVE POWER:

9

EACH

REPORTING

PERSON

850,839 SHARES OF COMMON STOCK (A)

WITH

10

SHARED DISPOSITIVE POWER:

-0- SHARES OF COMMON STOCK

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

850,839 SHARES OF COMMON STOCK (A)

12

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

5.1%

14

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

(A) Please see Item 5

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NAMES OF REPORTING PERSONS:

- 1 TCV Member Fund, L.P.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):  
See item 2 for identification of a General Partner

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

- 2  
(a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

- 4  
AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e):

- 5

CITIZENSHIP OR PLACE OF ORGANIZATION:

- 6  
DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 16,106 SHARES OF COMMON STOCK (A)

SHARED VOTING POWER:

8  
SHARES BENEFICIALLY OWNED BY -0- SHARES OF COMMON STOCK

SOLE DISPOSITIVE POWER:

9  
EACH

REPORTING

PERSON 16,106 SHARES OF COMMON STOCK (A)

WITH SHARED DISPOSITIVE POWER:

10

-0- SHARES OF COMMON STOCK

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

11

16,106 SHARES OF COMMON STOCK (A)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

13

Less than 1%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

14

PN

(A) Please see Item 5

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NAMES OF REPORTING PERSONS:

- 1 Technology Crossover Management V, L.L.C.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):  
See item 2 for identification of the Managing Members

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

- 2  
(a)   
(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

- 4  
AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e):

- 5

CITIZENSHIP OR PLACE OF ORGANIZATION:

- 6  
DELAWARE

SOLE VOTING POWER:

7

NUMBER OF 866,945 SHARES OF COMMON STOCK (A)

SHARED VOTING POWER:

8  
SHARES BENEFICIALLY OWNED BY 0- SHARES OF COMMON STOCK

SOLE DISPOSITIVE POWER:

9  
EACH



REPORTING

PERSON

866,945 SHARES OF COMMON STOCK (A)

WITH

SHARED DISPOSITIVE POWER:

**10**

-0- SHARES OF COMMON STOCK

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

**11**

866,945 SHARES OF COMMON STOCK (A)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

**12**

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

**13**

5.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

**14**

OO

(A) Please see Item 5

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NAMES OF REPORTING PERSONS:

1 JON Q. REYNOLDS JR.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2 (a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF 1,996 SHARES OF COMMON STOCK (B)

SHARED VOTING POWER:

SHARES BENEFICIALLY 8

OWNED BY 866,945 SHARES OF COMMON STOCK (A)

SOLE DISPOSITIVE POWER:

EACH REPORTING 9

PERSON 1,996 SHARES OF COMMON STOCK (B)

WITH SHARED DISPOSITIVE POWER:

**10**

866,945 SHARES OF COMMON STOCK (A)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

**11**

868,941 SHARES OF COMMON STOCK (A) (B)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

**12**

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

**13**

5.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

**14**

IN

(A) Please see Item 5

(B) Also includes options issued under the 2005 Stock Incentive Plan and held directly by Reporting Person that are immediately exercisable for a total of 1,996 shares of common stock.

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NAMES OF REPORTING PERSONS:

1 JAY C. HOAG

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2 (a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF -0- SHARES OF COMMON STOCK

SHARED VOTING POWER:

8

SHARES BENEFICIALLY OWNED BY 866,945 SHARES OF COMMON STOCK (A)

SOLE DISPOSITIVE POWER:

9

EACH REPORTING

PERSON -0- SHARES OF COMMON STOCK

WITH SHARED DISPOSITIVE POWER:

**10**

866,945 SHARES OF COMMON STOCK (A)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

**11**

866,945 SHARES OF COMMON STOCK (A)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

**12**

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

**13**

5.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

**14**

IN

(A) Please see Item 5

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NAMES OF REPORTING PERSONS:

1 RICHARD H. KIMBALL  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2 (a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF -0- SHARES OF COMMON STOCK

SHARED VOTING POWER:

8

SHARES BENEFICIALLY OWNED BY 866,945 SHARES OF COMMON STOCK (A)

SOLE DISPOSITIVE POWER:

9

EACH REPORTING

PERSON -0- SHARES OF COMMON STOCK

WITH SHARED DISPOSITIVE POWER:

**10**

866,945 SHARES OF COMMON STOCK (A)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

**11**

866,945 SHARES OF COMMON STOCK (A)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

**12**

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

**13**

5.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

**14**

IN

(A) Please see Item 5

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NAMES OF REPORTING PERSONS:

1 JOHN L. DREW

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2 (a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF -0- SHARES OF COMMON STOCK

SHARED VOTING POWER:

8

SHARES BENEFICIALLY OWNED BY 866,945 SHARES OF COMMON STOCK (A)

SOLE DISPOSITIVE POWER:

9

EACH REPORTING



PERSON -0- SHARES OF COMMON STOCK

WITH SHARED DISPOSITIVE POWER:

**10**

866,945 SHARES OF COMMON STOCK (A)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

**11**

866,945 SHARES OF COMMON STOCK (A)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

**12**

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

**13**

5.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

**14**

IN

(A) Please see Item 5

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NAMES OF REPORTING PERSONS:

1 WILLIAM J. G. GRIFFITH IV  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2 (a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS  
2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF -0- SHARES OF COMMON STOCK

SHARED VOTING POWER:

8

SHARES BENEFICIALLY OWNED BY 866,945 SHARES OF COMMON STOCK (A)

SOLE DISPOSITIVE POWER:

9

EACH REPORTING

PERSON -0- SHARES OF COMMON STOCK

WITH SHARED DISPOSITIVE POWER:

**10**

866,945 SHARES OF COMMON STOCK (A)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

**11**

866,945 SHARES OF COMMON STOCK (A)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

**12**

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

**13**

5.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

**14**

IN

(A) Please see Item 5

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NAMES OF REPORTING PERSONS:

1 HENRY J. FEINBERG

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2 (a)   
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4

AF, OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

UNITED STATES CITIZEN

SOLE VOTING POWER:

7

NUMBER OF -0- SHARES OF COMMON STOCK

SHARED VOTING POWER:

8

SHARES BENEFICIALLY OWNED BY 866,945 SHARES OF COMMON STOCK (A)

SOLE DISPOSITIVE POWER:

9

EACH REPORTING

PERSON -0- SHARES OF COMMON STOCK

WITH SHARED DISPOSITIVE POWER:

**10**

866,945 SHARES OF COMMON STOCK (A)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

**11**

866,945 SHARES OF COMMON STOCK (A)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

**12**

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

**13**

5.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

**14**

IN

(A) Please see Item 5

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**ITEM 1. SECURITY AND ISSUER.**

This statement relates to shares of common stock, par value \$0.01 per share (the Common Stock), of Capella Education Company., a Minnesota corporation ( Capella or the Company ). The Company s principal executive offices are located at 225 South 6 th Street, 9 th Floor, Minneapolis, Minnesota 55402.

**ITEM 2. IDENTITY AND BACKGROUND.**

(a)-(c), (f). This statement is being filed by (1) TCV V, L.P., a Delaware limited partnership ( TCV V ), (2) TCV Member Fund, L.P., a Delaware limited partnership ( Member Fund ), (3) Technology Crossover Management V, L.L.C., a Delaware limited liability company ( Management V ), (4) Jon Q. Reynolds Jr. ( Mr. Reynolds ), (5) Richard H. Kimball ( Mr. Kimball ), (6) Jay C. Hoag ( Mr. Hoag ), (7) John L. Drew ( Mr. Drew ), (8) William J. G. Griffith IV ( Mr. Griffith ), and (9) Henry J. Feinberg ( Mr. Feinberg ) (Mr. Reynolds, Mr. Kimball, Mr. Hoag, Mr. Drew, Mr. Griffith and Mr. Feinberg are collectively referred to as the Members ). TCV V, Member Fund, Management V and the Members are sometimes collectively referred to herein as the Reporting Persons. The agreement among the Reporting Persons relating to the joint filing of this statement is attached as Exhibit 1 hereto.

TCV V, Member Fund and Management V are each principally engaged in the business of investing in securities of privately and publicly held companies. Management V is the sole general partner of TCV V and a general partner of the Member Fund. The address of the principal business and office of each of TCV V, Member Fund and Management V is 528 Ramona Street, Palo Alto, California 94301.

Each of the Members is (i) a Class A Member of Management V and (ii) a limited partner of Member Fund. The Members are each United States citizens, and the present principal occupation of each is a venture capital investor. The business address of each Member is 528 Ramona Street, Palo Alto, California 94301.

(d), (e). During the last five years, none of TCV V, Member Fund, Management V or the Members has (1) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (2) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

**ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.**

Not Applicable.

**ITEM 4. PURPOSE OF TRANSACTION.**

The Reporting Persons acquired the securities referenced in Item 3 for investment purposes. Depending on the factors discussed herein, the Reporting Persons may, from time to time, acquire additional shares of Common Stock in the open market, in connection with issuances by the Company or sales by other stockholders in transactions registered under the Securities Act of 1933, as amended, in privately negotiated transactions or otherwise and/or retain and/or sell or otherwise dispose of all or a portion of their shares in the open market, through transactions registered under the Securities Act, through privately negotiated transactions or through distributions to their respective partners or otherwise. Any actions the Reporting Persons might undertake will be dependent upon the Reporting Persons review of numerous factors, including, among other things, the price levels of the Common Stock; general market and economic conditions; ongoing evaluation of the Company s business, financial condition, operating results and prospects; the relative attractiveness of alternative business and investment opportunities; and other future developments.

Except as set forth above, the Reporting Persons have no present plans or intentions which would result in or relate to any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

**ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.**

(a), (b). As of the close of business on August 31, 2007, TCV V, Member Fund, Management V and the Members owned, directly and indirectly, an aggregate of 868,941 shares as follows:

Name of Investor	Number of Total Shares	Percentage of Outstanding Shares(*)
------------------	------------------------	-------------------------------------

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TCV V	850,839	5.1%
Member Fund	16,106	Less than 1%
Management V	866,945	5.2%(**)
Mr. Reynolds	868,941(***)	5.2%(**)
Mr. Kimball	866,945	5.2%(**)
Mr. Hoag	866,945	5.2%(**)
Mr. Drew	866,945	5.2%(**)
Mr. Griffith	866,945	5.2%(**)
Mr. Feinberg	866,945	5.2%(**)

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(\*) all percentages in this table are based on the 16,717,076 shares of Common Stock of the Company outstanding on July 31, 2007 and as reported on the Company's Form 10-Q filed with the Securities and Exchange Commission on August 2, 2007.

(\*\*) Certain Reporting Persons disclaim beneficial ownership as set forth below.

(\*\*\*) Includes options issued under the 2005 Stock Incentive Plan, held directly by Mr. Reynolds and are immediately exercisable into a total of 1,996 shares of common stock.

Each of the TCV Funds has the sole power to dispose or direct the disposition of the shares by the TCV Funds and has the sole power to direct the voting of its respective shares held by the TCV Funds. Management V, as a general partner of the TCV Funds, may also be deemed to have the sole power to dispose or direct the disposition of the shares and held by the TCV Funds and have the sole power to direct the vote of the shares held by the TCV Funds.

Management V disclaims beneficial ownership of such securities except to the extent of its pecuniary interest therein. Each of the Members is (i) a Class A Member of Management V and (ii) a limited partner of Member Fund. Under the operating agreement of Management V, the Members have the shared power to dispose or direct the disposition of the shares held by TCV Funds and the shared power to direct the vote of the shares held by the TCV Funds. Each of the Members disclaims beneficial ownership of the securities owned by TCV Funds except to the extent of their pecuniary interest therein.

Mr. Reynolds has the sole power to dispose and direct the disposition of the shares of Common Stock received upon exercise of his options and the sole power to direct the vote of his shares of Common Stock received upon exercise of his options, however, TCMI, Inc. holds 100% of the pecuniary interest in such shares received upon exercise of Mr. Reynolds options.

The Reporting Persons may be deemed to be acting as a group in relation to their respective holdings in the Company but do not affirm the existence of any such group.



Except as set forth in this Item 5(a) (b), each of the Reporting Persons disclaims beneficial ownership of any Common Stock owned beneficially or of record by any other Reporting Person.

(c) On August 31, 2007, TCV V and Member Fund sold 343,498 and 6,502 shares of Common Stock of the Company, respectively, at a price of \$49.0026 per share in market transactions.

Except that which was reported on the Capella Education Company's 13D filed on August 31, 2007 and except as set forth herein, none of the Reporting Persons has effected any transactions in the Common Stock of the Company in the last 60 days.

(d). Not applicable.

(e). Not applicable.

**ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.**

**REGISTRATION RIGHTS AGREEMENT**

Pursuant to the Assignment, Assumption and Joinder Agreement dated December 31, 2004 ( Joinder Agreement ), the TCV Funds became parties to the Second Amended and Restated Rights Agreement dated January 22, 2003 (the

Rights Agreement ) by and between the Company on the one hand and certain other parties on the other hand. Such registration rights include rights to request inclusion of the shares held by the TCV Funds in subsequent offerings initiated by the Company as well as to request of registration of their shares on Forms S-1 and S-3, in all cases subject to certain limitations as set forth in the Rights Agreement. The Company is obligated to pay all expenses (other than underwriting discounts and commissions) incurred in connection with such registrations. The Company has agreed to indemnify the TCV Funds and related persons against certain liabilities under securities laws in connection with the sale of securities under such registrations.

A copy of the Joinder Agreement and the Rights Agreement are attached hereto as Exhibit 2 and 3, respectively and are incorporated by reference herein.

Except as set forth herein, none of the Reporting Persons has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of Company, including but not limited to any contracts, arrangements, understandings or relationships concerning the transfer or voting of such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

**ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.**

Exhibit 1 Joint Filing Agreement (incorporated by reference from Exhibit 1 to the Capella Education Company's 13D filed on November 22, 2006).

Exhibit 2 Assignment, Assumption and Joinder Agreement dated December 31, 2004 (incorporated by reference from Exhibit 2 to the Capella Education Company's 13D filed on November 22, 2006).

Exhibit 3 Second Amended and Restated Rights Agreement dated January 22, 2003 (incorporated by reference from Exhibit 4.7 to the Capella Education Company's Registration Statement on Form S-1 filed on April 18, 2005).

Exhibit 4 Statement Appointing Designated Filer and Authorized Signatories dated May 1, 2006 (incorporated by reference from Exhibit 4 to the Capella Education Company's 13D filed on November 22, 2006).

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**SIGNATURE**

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: September 10, 2007

**TCV V, L.P.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell  
Its: Authorized Signatory

**TCV MEMBER FUND,  
L.P.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell  
Its: Authorized Signatory

**TECHNOLOGY CROSSOVER MANAGEMENT V, L.L.C.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell  
Its: Authorized Signatory

**JON Q. REYNOLDS JR.**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell  
Its: Authorized Signatory

**JAY C. HOAG**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell  
Its: Authorized Signatory

**RICHARD H. KIMBALL**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell  
Its: Authorized Signatory

**JOHN L. DREW**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell  
Its: Authorized Signatory

**WILLIAM J. G.  
GRIFFITH IV**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

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Its: Authorized Signatory

**HENRY J. FEINBERG**

*By: /s/ Carla S. Newell*

Name: Carla S. Newell

Its: Authorized Signatory

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**EXHIBIT INDEX**

Exhibit 1 Joint Filing Agreement (incorporated by reference from Exhibit 1 to the Capella Education Company s 13D filed on November 22, 2006).

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