

CAPELLA EDUCATION CO
Form 3
November 09, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Insight-Salmon River LLC</p> <p>(Last) (First) (Middle)</p> <p>680 FIFTH AVE, 8TH FLOOR, NY</p> <p>(Street)</p> <p>NEW YORK, NY 10019</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>11/09/2006</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>CAPELLA EDUCATION CO [CPLA]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person</p>
---	---	---	---	---	---

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	24,308	D <u>(1)</u>	^
Common Stock	194	D <u>(2)</u>	^
Common Stock	2,997	D <u>(3)</u>	^
Common Stock	3,251	D <u>(4)</u>	^

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Edgar Filing: CAPELLA EDUCATION CO - Form 3

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series D Preferred Stock	Â (5)	Â (5)	Common Stock	750,000	\$ (5)	D (6)	Â
Series D Preferred Stock	Â (5)	Â (5)	Common Stock	272,222	\$ (5)	D (7)	Â
Series E Preferred Stock	Â (5)	Â (5)	Common Stock	140,351	\$ (5)	D (8)	Â
Series G Preferred Stock	Â (5)	Â (5)	Common Stock	25,736	\$ (5)	D (9)	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Insight-Salmon River LLC 680 FIFTH AVE, 8TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
SALMON RIVER CAPITAL I, LLC 680 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
SALMON RIVER CIP, LLC 680 FIFTH AVE, 8TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
Insight Venture Partners IV (Fund B), L.P. 680 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
Insight Venture Partners IV (Co-Investors), L.P. 680 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
INSIGHT VENTURE PARTNERS IV LP 527 MADISON AVENUE 10TH FLOOR NEW YORK, NY 10022	Â	Â X	Â	Â
Insight Venture Partners IV (Cayman), L.P. 680 FIFTH AVENUE, 8TH FLOOR NEW YORK, NY 10019	Â	Â X	Â	Â
SALMON RIVER CAPITAL II LP SALMON RIVER CAPITAL LLC	Â	Â X	Â	Â

680 FIFTH AVENUE 8TH FL
NEW YORK, NY 10019

Signatures

/s/ Joshua Lewis 11/09/2006

__Signature of Date
Reporting Person

/s/ Jeffrey Horing 11/09/2006

__Signature of Date
Reporting Person

/s/ Joshua Lewis 11/09/2006

__Signature of Date
Reporting Person

/s/ Joshua Lewis 11/09/2006

__Signature of Date
Reporting Person

/s/ Jeffrey Horing 11/09/2006

__Signature of Date
Reporting Person

/s/ Jeffrey Horing 11/09/2006

__Signature of Date
Reporting Person

/s/ Jeffrey Horing 11/09/2006

__Signature of Date
Reporting Person

/s/ Joshua Lewis 11/09/2006

__Signature of Date
Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

The amount shown represents the beneficial ownership of the Issuer's securities owned by Insight Venture Partners IV, L.P. ("IV LP"). Insight Venture Associates IV, LLC (the "Insight GP") is the sole general partner of IV LP. The Insight GP and Insight Holdings Group, LLC, the managing member of the Insight GP ("Insight Holdings"), exercise voting and investment power with respect to such shares. Each of Insight GP and Insight Holdings disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein.

(1) The amount shown represents the beneficial ownership of the Issuer's securities owned by Insight Venture Partners IV (Fund B), L.P. ("IV (Fund B)"). The Insight GP is the sole general partner of IV (Fund B). The Insight GP and Insight Holdings exercise voting and investment power with respect to such shares. Each of Insight GP and Insight Holdings disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein.

(2) The amount shown represents the beneficial ownership of the Issuer's securities owned by Insight Venture Partners IV (Co-Investors), L.P. ("IV Co-Investors"). The Insight GP is the sole general partner of IV (Co-Investors). The Insight GP and Insight Holdings exercise voting and investment power with respect to such shares. Each of the Insight GP and Insight Holdings disclaims beneficial ownership of

Edgar Filing: CAPELLA EDUCATION CO - Form 3

such shares except to the extent of their pecuniary interest therein.

- (4) The amount shown represents the beneficial ownership of the Issuer's securities owned by Insight Venture Partners (Cayman) IV, L.P. ("IV Cayman" and together with IV LP, IV (Fund B) and IV Co-Investors, the "Insight Funds"). Insight GP is the sole general partner of IV Cayman. The Insight GP and Insight Holdings exercise voting and investment power with respect to such shares. Each of the Insight GP and Insight Holdings disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein.

- (5) None of the Series D, Series E or Series G Preferred Stock has an expiration date and each will convert automatically into common stock upon the consummation of the initial public offering of the Issuer. The conversion ratio of the Series D and Series G Preferred Stock is one share of common stock for each share of preferred stock. The conversion ratio for the Series E Preferred Stock is 1.04038 share of common stock for each share of Series E Preferred Stock. No additional consideration will be paid to the Issuer in connection with the conversion.

- (6) See Remarks.

- (7) The amount shown represents the beneficial ownership of the Issuer's securities owned by Salmon River Capital I LLC. The managing member of Salmon River Capital I LLC is Salmon River Capital LLC. The managing member of Salmon River Capital LLC is Mr. Lewis. Mr. Lewis has voting and investment powers with to the shares beneficially owned by Salmon River Capital I LLC. Mr. Lewis disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

- (8) The amount shown represents the beneficial ownership of the Issuer's securities owned by Salmon River CIP LLC. The managing member of Salmon River CIP LLC is Salmon River Capital LLC. The managing member of Salmon River Capital LLC is Mr. Lewis. Mr. Lewis has voting and investment powers with to the shares beneficially owned by Salmon River Capital I LLC. Mr. Lewis disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

- (9) The amount shown represents the beneficial ownership of the Issuer's securities owned by Salmon River Capital II, L.P. The general partner of Salmon River Capital II, L.P. is Salmon River Capital GP, LLC. The sole member of Salmon River Capital GP, LLC is Mr. Lewis. Accordingly, Mr. Lewis has voting and investment powers with respect to the shares beneficially owned by Salmon River Capital II, L.P. Mr. Lewis disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

Â

Remarks:

(6) The amount shown represents the beneficial ownership of the Issuer's securities owned by Insight managing member of Insight -Salmon River LLC is Salmon River Capital LLC, and the non-managing member of Insight -Salmon River LLC are the Insight Funds. Salmon River Capital LLC, as managing member of Insight-Salmon River LLC, controls the voting power over the shares held by Insight-Salmon River LLC, but the Insight Funds with Salmon River Capital LLC over the shares with respect to certain matters. In addition, Salmon River Capital LLC and the Insight Funds have shared investment power over the shares held by Insight -Salmon River LLC. Salmon River Capital LLC is S. Joshua Lewis, a director of the Issuer. The managing member of Insight Holdings. Accordingly, Mr. Lewis, the Insight GP and Insight Holdings have shared voting and investment power over the shares beneficially owned by Insight-Salmon River LLC. The foregoing is not an admission that the persons are the beneficial owners of the shares held by Insight-Salmon River LLC, and each disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein.

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.