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SEC Form 4

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2008
Estimated average burden hours per response 0.5

1. Name and Address of Reporting Person* <u>Thom Gregory W</u>			2. Issuer Name and Ticker or Trading Symbol <u>CAPELLA EDUCATION CO [CPLA]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>11/05/07</u>			<input checked="" type="checkbox"/> Director	10% Owner	
<u>225 SOUTH 6TH STREET</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)			<input checked="" type="checkbox"/> Officer (give title below)	Other (specify below)	
<u>9TH FLOOR</u>						<u>General Counsel</u>		
(Street)	(City)	(State)	(Zip)			6. Individual or Joint/Group Filing (Check Applicable Line)		
<u>MINNEAPOLIS</u>	<u>MN</u>	<u>55402</u>				<input checked="" type="checkbox"/> Form filed by One Reporting Person	<input type="checkbox"/> Form filed by More than One Reporting Person	

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common stock	11/05/07		M		2,622	A	\$20	2,622	D	
Common stock	11/05/07		S		2,622	D	\$68	0	D	
Common stock	11/05/07		M		1,818	A	\$20	1,818	D	
Common stock	11/05/07		S		1,818	D	\$68	0	D	
Common stock	11/06/07		M		1,679	A	\$20	1,679	D	
Common stock	11/06/07		S		1,679	D	\$70	0	D	
Common stock								1,037	I	By ESOP (1)

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock option (right to buy)	\$20	11/05/07		M		2,622	(2)	02/14/16		Common stock	2,622	\$0	5,000	D	
Stock option (right to buy)	\$20	11/05/07		M		1,818	(2)	08/12/15		Common stock	1,818	\$0	0	D	

Stock option (right to buy)	\$20	11/06/07		M		1,679	(2)	08/01/13	Common stock	1,679	\$0	5,037	D	
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Explanation of Responses:

1. As last reported on March 6, 2007
2. Immediately

/s/ Gregory W. Thom

11/07/07

** Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.

Transaction Codes:

- M Exercise or conversion of derivative security exempted pursuant to Rule 16b-3.**
- S Open market or private sale of non-derivative or derivative security.**

Alternative Formats: [Rich Text / Word \(.rtf\)](#), [Text \(.txt\)](#), [EDGAR \(.sgml\)](#), [XML \(.xml\)](#), et al.

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