

Henkel Scott M
Form 4
August 02, 2010

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 *
Henkel Scott M

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)

225 SOUTH 6TH STREET, 9TH FLOOR

(Street)

MINNEAPOLIS, MN 55402

(City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)
07/29/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SVP & CIO

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

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	07/29/2010		M		25	A	\$ 20
Common stock	07/29/2010		M		4,256	A	\$ 20
Common stock	07/29/2010		M		741	A	\$ 15.13
Common stock	07/29/2010		M		1,609	A	\$ 15.13
Common stock	07/29/2010		S		6,631	D	\$ 92.70

Common stock	729	I	By Retirement Savings Plan
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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. Amount or Number of Shares
Stock option (right to buy)	\$ 20	07/29/2010		M	25	<u>(1)</u> 02/14/2016	Common stock	25
Stock option (right to buy)	\$ 20	07/29/2010		M	4,256	<u>(2)</u> 08/01/2013	Common stock	4,256
Stock option (right to buy)	\$ 15.13	07/29/2010		M	741	<u>(1)</u> 05/11/2014	Common stock	741
Stock option (right to buy)	\$ 15.13	07/29/2010		M	1,609	<u>(1)</u> 05/11/2014	Common stock	1,609

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

Henkel Scott M
225 SOUTH 6TH STREET
9TH FLOOR
MINNEAPOLIS, MN 55402

SVP & CIO

Signatures

/s/ Kimberly F. Stephan, Attorney-in-Fact for Scott M.
Henkel

08/02/2010

__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) Immediately
 - (2) Shares vest as to 25% annually beginning on 8/2/2007.

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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