

NIC INC
Form 4
August 15, 2006

FORM 4

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

OMB APPROVAL

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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 *
SOMERHALDER SAM

(Last) (First) (Middle)
C/O NIC INC., 10540 SOUTH RIDGEVIEW ROAD

(Street)

OLATHE, KS 66061

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
NIC INC [EGOV]

3. Date of Earliest Transaction (Month/Day/Year)
08/14/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Administrative Officer

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 Ownership (Instr. 4)
			Code	V	Amount or Price (D)		
Common Stock	08/14/2006		M		27,172 A \$ 3.04	D	
Common Stock	08/14/2006		S		8,100 D \$ 5.5	D	
Common Stock	08/14/2006		S		500 D \$ 5.51	D	
Common Stock	08/14/2006		S		15,300 D \$ 5.52	D	
Common Stock	08/14/2006		S		300 D \$ 5.53	D	

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Common Stock	08/14/2006	S	672	D	\$ 5.54	79,551	D
Common Stock	08/14/2006	S	1,800	D	\$ 5.55	77,751	D
Common Stock	08/14/2006	S	100	D	\$ 5.56	77,651	D
Common Stock	08/14/2006	S	400	D	\$ 5.57	77,251	D <u>(1)</u> <u>(2)</u>

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 3.04	08/14/2006		M	27,172	08/01/2006	08/01/2008	common stock	27,172

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SOMERHALDER SAM C/O NIC INC. 10540 SOUTH RIDGEVIEW ROAD OLATHE, KS 66061			Chief Administrative Officer	

Signatures

Stephen M. Kovzan,
Attorney-in-Fact

08/15/2006

__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).

The Reporting Person indirectly owns 883,794 shares of NIC common stock, which are held directly by the National Information

- (1) Consortium Voting Trust ("Voting Trust"), for which Messrs. Jeffery S. Fraser and Ross C. Hartley act as trustees, for the benefit of the Reporting Person as a direct beneficiary of the Voting Trust.

The Reporting Person also directly owns employee stock options to purchase 22,828 shares of NIC common stock at \$3.04 per share, of

- (2) which 10,328 are currently exercisable and 12,500 will become exercisable on August 1, 2007. The Reporting Person also indirectly owns 1,500 shares of NIC common stock which are held directly by the Reporting Person's spouse.

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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