

NELNET INC  
Form 4  
September 26, 2006

**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 \*  
BUTTERFIELD STEPHEN F

(Last) (First) (Middle)  
121 SOUTH 13TH STREET, SUITE 201  
(Street)

LINCOLN, NE 68508

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
NELNET INC [NNI]

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/25/2006

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)  
Vice Chairman, Co-CEO

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                                                                                        | (D)                                                      | Price                             |
| Class B Common Stock            | 09/25/2006                           |                                                    | S <sup>(1)</sup>               |                                                                   | 400,000                                                                                       | D                                                        | \$ 30.53                          |
|                                 |                                      |                                                    |                                |                                                                   | 3,868,083 <sup>(2)</sup>                                                                      | D                                                        | <sup>(3)</sup>                    |

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

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 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. Price of Derivative Security (Instr. 5) | 9. Nu... |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|----------|
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|----------|

## Reporting Owners

| Reporting Owner Name / Address                                                   | Relationships |           |                       |       |
|----------------------------------------------------------------------------------|---------------|-----------|-----------------------|-------|
|                                                                                  | Director      | 10% Owner | Officer               | Other |
| BUTTERFIELD STEPHEN F<br>121 SOUTH 13TH STREET<br>SUITE 201<br>LINCOLN, NE 68508 | X             | X         | Vice Chairman, Co-CEO |       |

## Signatures

/s/ William J. Munn, Attorney-in-Fact for Stephen F. Butterfield 09/26/2006

\*\*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).
- (1) The reporting person sold the shares in a private transaction to Farmers & Merchants Investment Inc., of which Michael S. Dunlap and Angela L. Muhleisen, who is a sister of Michael S. Dunlap, are executive officers, members of the board of directors and own or control 38.4% and 35.9%, respectively, of the outstanding stock. Michael S. Dunlap is an executive officer, member of the board of directors and more than 10% owner of the issuer, and thus is a Section 16 reporting person with respect to the issuer. Angela L. Muhleisen is deemed to be a more than 10% owner of the issuer, and thus is a Section 16 reporting person with respect to the issuer.
- (2) Reflects distributions and other transfers to the reporting person from the Stephen F. Butterfield GRAT of a total of 91,975 shares of Class B Common Stock and a gift by the reporting person of 17,142 shares of Class B Common Stock on August 24, 2006.
- (3) The reporting person also may be deemed to have indirect beneficial ownership of 1,586,691 shares of Class B Common Stock held by Union Financial Services, Inc., and 508,025 shares of Class B Common Stock held by the Stephen F. Butterfield GRAT, which number of shares held by the GRAT reflects distributions and other transfers by the GRAT to the reporting person of a total of 91,975 shares of Class B Common Stock. The reporting person disclaims beneficial ownership of the shares held by Union Financial Services, Inc. except to the extent of his pecuniary interest in the holder thereof, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

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.