

ELECTRONIC CLEARING HOUSE INC
 Form 4
 November 06, 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 *
 Discovery Group I, LLC

2. Issuer Name and Ticker or Trading Symbol
 ELECTRONIC CLEARING HOUSE INC [ECHO]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 HYATT CENTER, 24TH FLOOR, 71 SOUTH WACKER DRIVE

3. Date of Earliest Transaction (Month/Day/Year)
 11/02/2006

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

(Street)
 CHICAGO, IL 60606

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

(City) (State) (Zip)

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)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	11/02/2006		P	340 ⁽¹⁾ A	\$ 11.73	805,359	I	By Discovery Equity Partners, L.P. ⁽¹⁾
Common Stock	11/02/2006		P	60 ⁽²⁾ A	\$ 11.73	805,419	I	By Pleiades Investment Partners - D, L.P. ⁽²⁾

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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. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
				Code	V (A) (D)				

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Discovery Group I, LLC HYATT CENTER, 24TH FLOOR 71 SOUTH WACKER DRIVE CHICAGO, IL 60606		X		
Donoghue Daniel J C/O DISCOVERY GROUP I, LLC HYATT CENTER, 24TH FL, 71 SOUTH WACKER CHICAGO, IL 60606		X		
Murphy Michael R C/O DISCOVERY GROUP I, LLC HYATT CENTER, 24TH FL, 71 SOUTH WACKER CHICAGO, IL 60606		X		

Signatures

Michael R. Murphy, Managing
Director 11/06/2006

__Signature of Reporting Person Date

Daniel J. Donoghue 11/06/2006

__Signature of Reporting Person Date

Michael R. Murphy

11/06/2006

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) Discovery Group I, LLC is the General Partner of the Discovery Equity Partners, L.P., which is a discretionary client of the reporting person, that owns the reported securities. The reporting person disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein.

(2) Discovery Group I, LLC is an investment manager for Pleiades Investment Partners - D, L.P., which is a discretionary client of the reporting person, that owns the reported securities. The reporting person disclaims beneficial ownership of the reported securities except to the extent of its 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.

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