

NELNET INC

Form 4

September 26, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
MUHLEISEN ANGIE

(Last) (First) (Middle)

**C/O FARMERS & MERCHANTS
INVESTMENT INC., 6801 SOUTH
27TH STREET**

(Street)

LINCOLN, NE 68512

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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		
Class A Common Stock	09/25/2006		P ⁽¹⁾		400,000	A	\$ 30.53	404,500 ⁽²⁾ ⁽³⁾	I Farmers & Merchants Investment Inc. ⁽⁴⁾

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
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SEC 1474
(9-02)

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

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

MUHLEISEN ANGIE
C/O FARMERS & MERCHANTS INVESTMENT INC.
6801 SOUTH 27TH STREET
LINCOLN, NE 68512

X

Signatures

/s/ William J. Munn, Attorney-in-Fact for Angela L.
Muhleisen

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).

Farmers & Merchants Investment Inc. purchased the shares in a private transaction from Stephen F. Butterfield, who 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 (1) the issuer. The shares sold by Mr. Butterfield were shares of the issuer's Class B Common Stock, but pursuant to the provisions of the issuer's Articles of Incorporation were automatically converted into shares of the issuer's Class A Common Stock upon the transfer to Farmers & Merchants Investment Inc.

The reporting person disclaims beneficial ownership of these securities except to the extent of her pecuniary interest in the holder thereof, (2) 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.

(3) See attached Exhibit 99.1 for footnote explanation of response.

(4) The reporting person is a director and executive vice president of Farmers & Merchants Investment Inc. and owns or controls 35.9% of its outstanding voting stock.

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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