

Murphy Michael R
Form 4
October 27, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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)

3. Date of Earliest Transaction (Month/Day/Year)
10/25/2006

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

HYATT CENTER, 24TH FLOOR, 71 SOUTH WACKER DRIVE

(Street)

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

CHICAGO, IL 60606

(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)			
			Code	V	Amount	(D)	Price			
Common Stock	10/25/2006		P		2,125 ⁽¹⁾	A	\$ 11.8548	780,144	I	By Discovery Equity Partners, L.P. ⁽¹⁾
Common Stock	10/25/2006		P		375 ⁽²⁾	A	\$ 11.8548	780,519	I	By Pleiades Investment Partners - D, L.P. ⁽²⁾
	10/26/2006		P		85 ⁽¹⁾	A	\$ 11.94	780,604	I	

Common
Stock

By
Discovery
Equity
Partners,
L.P. ⁽¹⁾

Common Stock 10/26/2006 P 15 ⁽²⁾ A \$ 11.94 780,619 I

By Pleiades
Investment
Partners -
D, L.P. ⁽²⁾

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)

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. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3 and 4)
				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
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	
			X	

Murphy Michael R
C/O DISCOVERY GROUP I, LLC
HYATT CENTER, 24TH FL, 71 SOUTH WACKER
CHICAGO, IL 60606

Signatures

Michael R. Murphy, Managing Director 10/27/2006

__Signature of Reporting Person Date

Daniel J. Donoghue 10/27/2006

__Signature of Reporting Person Date

Michael R. Murphy 10/27/2006

__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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