**NIC INC** Form 4 January 24, 2006

#### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB APPROVAL OMB** 

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if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

Check this box

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

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person \* FRASER JEFFERY S

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(First)

(Street)

NIC INC [EGOV]

(Check all applicable)

C/O NIC INC., 10540 SOUTH

3. Date of Earliest Transaction

(Month/Day/Year) 11/08/2005

\_X\_\_ Director X 10% Owner X\_ Officer (give title Other (specify below)

Chairman and CEO

RIDGEVIEW ROAD

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

Applicable Line) \_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

**OLATHE, KS 66061** 

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if

(Middle)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of Underlying Securities

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr.	8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			(Instr. 3 and 4)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 6.16	11/08/2005		M		10,000		11/08/2006(1)	11/08/2010	common stock	10,000

# **Reporting Owners**

Reporting Owner Name / Address	Relationships							
coporting of the random states	Director	10% Owner	Officer	Other				
FRASER JEFFERY S C/O NIC INC. 10540 SOUTH RIDGEVIEW ROAD OLATHE, KS 66061	X	X	Chairman and CEO					

# **Signatures**

Stephen M. Kovzan, Attorney-in-Fact 01/24/2006

\*\*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 option is exercisable in four equal annual installments, beginning on November 8, 2006.
  - The Reporting Person also indirectly owns 21,450,805 shares of NIC Inc. common stock, which are held directly by the National Information Consortium Voting Trust, for which the Reporting Person and Ross C. Hartley act as trustees. Of this amount, the Reporting
- (2) Person indirectly owns 1,023,251 shares held directly by the Voting Trust for the benefit of a trust, of which the Reporting Person is the beneficiary, and 4,401,405 shares held directly by the Voting Trust for the benefit of entities of which the Reporting Person acts as manager; however, the Reporting Person disclaims beneficial ownership over 1,852,717 of the shares held by one entity.
  - The Reporting Person also directly owns 301,931 shares of NIC common stock and the following employee stock options to purchase NIC common stock: (i) 77,043 shares at \$2.57 per share, all of which are currently exercisable, (ii) 150,000 shares at \$3.34 per share,
- (3) exercisable in four equal annual installments, beginning August 1, 2004, (iii) 20,000 shares at \$7.67 per share, exercisable in four equal annual installments, beginning on November 10, 2004, and (iv) 25,000 shares at \$4.15 per share, exercisable in four equal annual installments, beginning on November 5, 2005.

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.

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