

ELECTRONIC CLEARING HOUSE INC  
Form SC 13G/A  
February 07, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 13G**

OMB APPROVAL  
OMB Number:  
3235-0145

Expires:  
December 31, 2005  
Estimated average  
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response. . 11

**Under the Securities Exchange Act of 1934  
(Amendment No. 2)\***

**Electronic Clearing House, Inc.**

(Name of Issuer)

**Common Stock, par value \$.01 per share**

(Title of Class of Securities)

**285562500**

(CUSIP Number)

**December 31, 2005**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. **285562500**

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)

Discovery Equity Partners, L.P.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

Not Applicable.

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Illinois

5. Sole Voting Power

None.

6. Shared Voting Power

644,588 Shares

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

7. Sole Dispositive Power

None.

8. Shared Dispositive Power

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644,588 Shares

9. Aggregate Amount Beneficially Owned by Each Reporting Person

644,588 Shares

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

Not Applicable

11. Percent of Class Represented by Amount in Row (9)

9.7%

12. Type of Reporting Person (See Instructions)

PN

CUSIP No. **285562500**

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)

Discovery Group I, LLC

2. Check the Appropriate Box if a Member of a Group (See Instructions)

Not Applicable.

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware

5.  Sole Voting Power

None.

6.  Shared Voting Power

767,519 Shares

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

7.  Sole Dispositive Power

None.

8.  Shared Dispositive Power

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767,519 Shares

9. Aggregate Amount Beneficially Owned by Each Reporting Person

767,519 Shares

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

Not Applicable

11. Percent of Class Represented by Amount in Row (9)

11.5 %

12. Type of Reporting Person (See Instructions)

OO

CUSIP No. **285562500**

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)

Daniel J. Donoghue

2. Check the Appropriate Box if a Member of a Group (See Instructions)

Not Applicable.

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

U.S.A.

5. Sole Voting Power

None.

6. Shared Voting Power

767,519 Shares

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

7. Sole Dispositive Power

None.

8. Shared Dispositive Power

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767,519 Shares

9. Aggregate Amount Beneficially Owned by Each Reporting Person

767,519 Shares

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

Not Applicable

11. Percent of Class Represented by Amount in Row (9)

11.5 %

12. Type of Reporting Person (See Instructions)

IN



CUSIP No. **285562500**

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)

Michael R. Murphy

2. Check the Appropriate Box if a Member of a Group (See Instructions)

Not Applicable.

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

U.S.A.

5. Sole Voting Power

None.

6. Shared Voting Power

767,519 Shares

Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With

7. Sole Dispositive Power

None.

8. Shared Dispositive Power

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767,519 Shares

9. Aggregate Amount Beneficially Owned by Each Reporting Person

767,519 Shares

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

Not Applicable

11. Percent of Class Represented by Amount in Row (9)

11.5 %

12. Type of Reporting Person (See Instructions)

IN

**Item 1.**

(a) Name of Issuer

Electronic Clearing House, Inc.

(b) Address of Issuer's Principal Executive Offices

730 Paseo Camarillo, Camarillo, California 93010

**Item 2.**

(a) Name of Person Filing

Discovery Equity Partners, L.P. ( **Discovery Partners** )

Discovery Group I, LLC, the general partner of Discovery Partners ( **Discovery Group** )  
Daniel J. Donoghue, a Managing Member of Discovery Group  
Michael R. Murphy, a Managing Member of Discovery Group

(b) Address of Principal Business Office or, if none, Residence

Discovery Partners, Discovery Group, Mr. Donoghue, and Mr. Murphy are all located at:  
Hyatt Center, 24<sup>th</sup> Floor, 71 South Wacker Drive, Chicago, Illinois 60606

(c) Citizenship

Discovery Partners is an Illinois limited partnership

Discovery Group is a Delaware limited liability company  
Mr. Donoghue and Mr. Murphy are U.S. citizens

(d) Title of Class of Securities

Common Stock, par value \$.01 per share

(e) CUSIP Number

285562500

**Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

Not Applicable.

- |     |                       |   |
|-----|-----------------------|---|
| (a) | <input type="radio"/> | Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).  |
| (b) | <input type="radio"/> | Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).  |
| (c) | <input type="radio"/> | Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).  |
| (d) | <input type="radio"/> | Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).   |
| (e) | <input type="radio"/> | An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);   |
| (f) | <input type="radio"/> | An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);  |
| (g) | <input type="radio"/> | A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);   |
| (h) | <input type="radio"/> | A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);  |
| (i) | <input type="radio"/> | A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3); |
| (j) | <input type="radio"/> | Group, in accordance with §240.13d-1(b)(1)(ii)(J).  |

**Item 4. Ownership**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

Discovery Partners 644,588  
Discovery Group 767,519  
Mr. Donoghue 767,519  
Mr. Murphy 767,519

(b) Percent of class:

Discovery Partners 9.7%  
Discovery Group 11.5%  
Mr. Donoghue 11.5%  
Mr. Murphy 11.5%

The foregoing percentages have been calculated based on 6,661,701 shares of Common Stock of the Issuer identified in Item 1 outstanding as of December 12, 2005, as reported in the Issuer's Definitive Proxy Statement on Schedule 14A filed on December 22, 2005.

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

None

(ii) Shared power to vote or to direct the vote

Discovery Partners 644,588  
Discovery Group 767,519  
Mr. Donoghue 767,519  
Mr. Murphy 767,519

(iii) Sole power to dispose or to direct the disposition of

None

(iv) Shared power to dispose or to direct the disposition of

Discovery Partners 644,588  
Discovery Group 767,519  
Mr. Donoghue 767,519  
Mr. Murphy 767,519

**Item 5. Ownership of Five Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Not Applicable.

**Item 6. Ownership of More than Five Percent on Behalf of Another Person**

The shares reported herein have been acquired on behalf of discretionary clients of Discovery Group, including Discovery Partners. Such discretionary clients are entitled to receive all dividends from, and proceeds from the sale of, those shares. Except for Discovery Partners, none of those discretionary clients, to the knowledge of Discovery Partners, Discovery Group, Mr. Donoghue, or Mr. Murphy, has an economic interest in more than 5% of the class.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person**

Not Applicable.

**Item 8. Identification and Classification of Members of the Group**

Not Applicable.

**Item 9. Notice of Dissolution of Group**

Not Applicable.

**Item 10. Certification**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**Signature**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 7, 2006  
Date

**DISCOVERY GROUP I, LLC,**  
for itself and as general partner of  
**DISCOVERY EQUITY PARTNERS, L.P.**

/s/ Michael R. Murphy  
Signature

Michael R. Murphy, Managing Member  
Name/Title

/s/ Daniel J. Donoghue  
Signature

Daniel J. Donoghue  
Name/Title

/s/ Michael R. Murphy  
Signature

Michael R. Murphy  
Name/Title

**Exhibit Index**

Exhibit 1      Joint Filing Agreement dated as of February 7, 2006, by and between Discovery Equity Partners, L.P.; Discovery Group I, LLC; Daniel J. Donoghue; and Michael R. Murphy.

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