

ELECTRONIC CLEARING HOUSE INC
Form SC 13G/A
February 14, 2008

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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 4)***

Electronic Clearing House, Inc.

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

285562500

(CUSIP Number)

December 31, 2007

(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.

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).

CUSIP No. 285562500

1. Names of Reporting Persons
Discovery Equity Partners, L.P.
 2. Check the Appropriate Box if a Member of a Group (See Instructions)
 - (a)
 - (b)
 Not Applicable
 3. SEC Use Only
 4. Citizenship or Place of Organization
Illinois
- | | | | |
|---|----|--|-------------------------------------|
| | 5. | | Sole Voting Power
None |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 6. | | Shared Voting Power
829,052 |
| | 7. | | Sole Dispositive Power
None |
| | 8. | | Shared Dispositive Power
829,052 |
9. Aggregate Amount Beneficially Owned by Each Reporting Person
829,052
 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)
11.8%
 12. Type of Reporting Person (See Instructions)
PN

CUSIP No. 285562500

- | | | |
|-----|---|---|
| 1. | Names of Reporting Persons
Discovery Group I, LLC | |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions)
(a) <input type="radio"/>
(b) <input type="radio"/>
Not Applicable | |
| 3. | SEC Use Only | |
| 4. | Citizenship or Place of Organization
Delaware | |
| 5. | Sole Voting Power
None | Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With |
| 6. | Shared Voting Power
974,110 | |
| 7. | Sole Dispositive Power
None | |
| 8. | Shared Dispositive Power
974,110 | |
| 9. | Aggregate Amount Beneficially Owned by Each Reporting Person
974,110 | |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) <input type="radio"/>
Not Applicable | |
| 11. | Percent of Class Represented by Amount in Row (9)
13.8% | |
| 12. | Type of Reporting Person (See Instructions)
OO | |

CUSIP No. 285562500

- | | | |
|-----|---|---|
| 1. | Names of Reporting Persons
Daniel J. Donoghue | |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions)
(a) <input type="radio"/>
(b) <input type="radio"/>
Not Applicable | |
| 3. | SEC Use Only | |
| 4. | Citizenship or Place of Organization
U.S.A. | |
| 5. | Sole Voting Power
None | Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With |
| 6. | Shared Voting Power
974,110 | |
| 7. | Sole Dispositive Power
None | |
| 8. | Shared Dispositive Power
974,110 | |
| 9. | Aggregate Amount Beneficially Owned by Each Reporting Person
974,110 | |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) <input type="radio"/>
Not Applicable | |
| 11. | Percent of Class Represented by Amount in Row (9)
13.8% | |
| 12. | Type of Reporting Person (See Instructions)
IN | |

CUSIP No. 285562500

- | | | |
|-----|---|---|
| 1. | Names of Reporting Persons
Michael R. Murphy | |
| 2. | Check the Appropriate Box if a Member of a Group (See Instructions)
(a) <input type="radio"/>
(b) <input type="radio"/>
Not Applicable | |
| 3. | SEC Use Only | |
| 4. | Citizenship or Place of Organization
U.S.A. | |
| 5. | Sole Voting Power
None | Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With |
| 6. | Shared Voting Power
974,110 | |
| 7. | Sole Dispositive Power
None | |
| 8. | Shared Dispositive Power
974,110 | |
| 9. | Aggregate Amount Beneficially Owned by Each Reporting Person
974,110 | |
| 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) <input type="radio"/>
Not Applicable | |
| 11. | Percent of Class Represented by Amount in Row (9)
13.8% | |
| 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
- (b) Michael R. Murphy, a Managing Member of Discovery Group
Address of Principal Business Office or, if none, Residence
Discovery Partners, Discovery Group, Mr. Donoghue, and Mr. Murphy are all located at:

191 North Wacker Drive, Suite 1685, Chicago, Illinois 60606
- (c) Citizenship
Discovery Partners is an Illinois limited partnership

Discovery Group is a Delaware limited liability company
- (d) Mr. Donoghue and Mr. Murphy are U.S. citizens
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) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) 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) 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 829,052
 Discovery Group 974,110
 Mr. Donoghue 974,110
 Mr. Murphy 974,110

(b) Percent of class:

Discovery Partners 11.8%
 Discovery Group 13.8%
 Mr. Donoghue 13.8%
 Mr. Murphy 13.8%

The foregoing percentages have been calculated based on 7,046,379 shares of Common Stock of the Issuer identified in Item 1 outstanding as of February 1, 2008, as reported in the Issuer's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

(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 829,052
 Discovery Group 974,110
 Mr. Donoghue 974,110
 Mr. Murphy 974,110

(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 829,052
 Discovery Group 974,110
 Mr. Donoghue 974,110
 Mr. Murphy 974,110

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

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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 14, 2008
Date

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

Michael R. Murphy*
Signature

Michael R. Murphy, Managing Member
Name/Title

Daniel J. Donoghue*
Signature

Daniel J. Donoghue
Name/Title

Michael R. Murphy*
Signature

Michael R. Murphy
Name/Title

*By: /s/ Robert M. McLennan
Robert M. McLennan
Attorney-in-Fact for Daniel J. Donoghue
Attorney-in-Fact for Michael R. Murphy

Exhibit Index

Exhibit 1	Joint Filing Agreement dated as of February 14, 2008, by and among Discovery Equity Partners, L.P.; Discovery Group I, LLC; Daniel J. Donoghue; and Michael R. Murphy.
Exhibit 2	Power of Attorney of Daniel J. Donoghue, dated as of August 24, 2006
Exhibit 3	Power of Attorney of Michael R. Murphy, dated as of August 24, 2006