

NIC INC  
Form 4  
May 16, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**BROWN RICHARD L**

(Last) (First) (Middle)  
**C/O NIC INC., 10540 SOUTH RIDGEVIEW ROAD**  
  
(Street)

**OLATHE, KS 66061**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**NIC INC [EGOV]**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/16/2005**

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Exec.VP-Technology & Solutions**

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	05/16/2005		M	V	12,500	A	\$ 2.34
					17,597	(1) (2)	D

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

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 2.34	05/16/2005		M	12,500	05/14/2005	05/14/2008	common stock	12,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BROWN RICHARD L C/O NIC INC. 10540 SOUTH RIDGEVIEW ROAD OLATHE, KS 66061			Exec.VP-Technology & Solutions	

## Signatures

Stephen M. Kovzan,  
Attorney-in-Fact

05/16/2005

\_\_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 Reporting Person also directly owns the following employee stock options to purchase shares of NIC Inc. common stock: (i) 7,000 shares at \$10.375, all of which are currently exercisable; (ii) 1,250 shares at \$2.10, exercisable on June 25, 2005; (iii) 25,000 shares at \$2.34, exercisable in two equal annual installments, beginning on May 14, 2006; (iv) 18,750 shares at \$3.04 per share, exercisable in three equal annual installments, beginning on August 1, 2005; (v) 60,000 shares at \$6.93, 30,000 of which are currently exercisable, and the remaining 30,000 will vest upon NIC's achievement of certain significant milestones in its contract with the Secretary of State of California; and (vi) 100,000 shares at \$5.50 per share, exercisable in four equal annual installments, beginning August 10, 2005.
- (2) The Reporting Person also indirectly owns 12,779 shares of NIC Inc. common stock which are held directly by the National Information Consortium Voting Trust, for which Messrs. Jeffery S. Fraser and Ross C. Hartley act as trustees, for the benefit of the Reporting Person as a direct beneficiary of the Trust.

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.