

13F UNP CONFIDENTIAL
4/11/08

OMB APPROVAL
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CONFIDENTIAL TREATMENT REQUESTED
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
 Washington, DC 20549

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 OFFICE OF THE SECRETARY

Form 13F

Form 13F COVER PAGE
 Report for the Calendar Year or Quarter Ended: 9/30/2007
 Check here if Amendment[]: Amendment Number: _____

This Amendment (Check only one):
 is a restatement
 adds new holdings entries.

NON-PUBLIC

Institutional Investment Manager Filing this Report:

Name: MICHAEL R. MURPHY
 Address: 191 NORTH WACKER DRIVE, CHICAGO, ILLINOIS 60606

Form 13F File Number 28- 11638

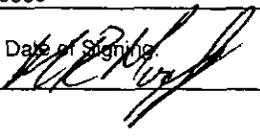
The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

CONFIDENTIAL TREATMENT EXPIRED

Person Signing this Report on Behalf of Reporting Manager:

Name: Michael R. Murphy
 Title: Managing Member of Discovery Group I, LLC
 Phone: 312-265-9600

Signature, Place, and Date of Signing:


 (Signature)
Chicago, Illinois
 (City, State)
11/13/2007
 (Date)

PROCESSED
APR 30 2008

THOMSON REUTERS

Report Type (Check only one):

- 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager.

NONE



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Form 13F Summary Page

Report Summary:

Number of Other Included Managers:

2

Form 13F Information Table Entry Total:

5

Form 13F Information Table Value Total:

\$ 26,521 (thousands)

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

No.	Form 13F File Number	Name
<u>1</u>	<u>28-11635</u>	<u>DANIEL J. DONOGHUE</u>
<u>2</u>	<u>28-11637</u>	<u>DISCOVERY GROUP I, LLC</u>

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13F Information Table
9/30/2007

CONFIDENTIAL TREATMENT REQUESTED

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7	COLUMN 8					
NAME OF ISSUER	TITLE OF CLASS	CUSIP	VALUE (X \$1000)	SHRS OR PRN AMT	SH/ PRN	PUT/ CALL	INVESTMENT DISCRETION	OTHER MANAGERS	SOLE	SHARED	NONE	Voting Authority
AMERICAN MED ALERT CORP	COM	027904101	3,552	392,949	SH		SHARED-OTHER	1, 2		392,949		
DRUGSTORE COM INC	COM	262241102	10,811	3,326,389	SH		SHARED-OTHER	1, 2		3,326,389		
FIRST REGL BANCORP	COM	33615C101	1,437	58,600	SH		SHARED-OTHER	1, 2		58,600		
HOME DIAGNOSTICS INC DEL	COM	437080104	422	44,004	SH		SHARED-OTHER	1, 2		44,004		
TIER TECHNOLOGIES INC	CL B	88650Q100	10,299	1,009,700	SH		SHARED-OTHER	1, 2		1,009,700		
Total			26,521	4,831,642						4,831,642		

END