

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

ITT EDUCATIONAL SERVICES INC
Form SC 13D
March 03, 2008

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

ITT EDUCATIONAL SERVICES, INC.

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

4506B109

(CUSIP Number)

Gregory D. Hitchan
Blum Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, CA 94133
(415) 434-1111

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

February 21, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [].

*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 disclosures provided in a prior cover page.

The information required on 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).

Page 1 of 19

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 2 of 19

1. NAME OF REPORTING PERSON

BLUM CAPITAL PARTNERS, L.P.

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 94-3205364

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 3,345,200**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 3,345,200**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,345,200**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.4%**

14. TYPE OF REPORTING PERSON PN, IA

** See Item 5

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 3 of 19

1. NAME OF REPORTING PERSON RICHARD C. BLUM & ASSOCIATES, INC.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 94-2967812

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 3,345,200**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 3,345,200**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,345,200**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.4%**

14. TYPE OF REPORTING PERSON CO

** See Item 5

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 4 of 19

1. NAME OF REPORTING PERSON BLUM STRATEGIC GP III, L.L.C.
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 04-3809436

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

	7. SOLE VOTING POWER	-0-
NUMBER OF	-----	-----
SHARES	8. SHARED VOTING POWER	3,345,200**
BENEFICIALLY	-----	-----
OWNED BY EACH	9. SOLE DISPOSITIVE POWER	-0-
PERSON WITH	-----	-----
	10. SHARED DISPOSITIVE POWER	3,345,200**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,345,200**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.4%**

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 5 of 19

1. NAME OF REPORTING PERSON BLUM STRATEGIC GP III, L.P.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 02-0742606

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
 (b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

	7. SOLE VOTING POWER	-0-
NUMBER OF	-----	-----
SHARES	8. SHARED VOTING POWER	3,345,200**
BENEFICIALLY	-----	-----
OWNED BY EACH	-----	-----

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

PERSON WITH 9. SOLE DISPOSITIVE POWER -0-

 10. SHARED DISPOSITIVE POWER 3,345,200**

 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,345,200**

 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.4%**

 14. TYPE OF REPORTING PERSON PN

 ** See Item 5

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 6 of 19

 1. NAME OF REPORTING PERSON BLUM STRATEGIC GP IV, L.L.C.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 26-0588693

 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
 (b) [x]

 3. SEC USE ONLY

 4. SOURCE OF FUNDS* See Item 3

 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

 6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

 7. SOLE VOTING POWER -0-

 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH 8. SHARED VOTING POWER 3,345,200**

 9. SOLE DISPOSITIVE POWER -0-

 10. SHARED DISPOSITIVE POWER 3,345,200**

 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,345,200**

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.4%**

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 7 of 19

 1. NAME OF REPORTING PERSON BLUM STRATEGIC GP IV, L.P.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 26-0588732

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
 (b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH
 8. SHARED VOTING POWER 3,345,200**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 3,345,200**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,345,200**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.4%**

14. TYPE OF REPORTING PERSON PN

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

** See Item 5

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 8 of 19

1. NAME OF REPORTING PERSON SADDLEPOINT PARTNERS GP, L.L.C.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) 83-0424234

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

7. SOLE VOTING POWER -0-

NUMBER OF SHARES -----
BENEFICIALLY OWNED BY EACH PERSON WITH

8. SHARED VOTING POWER 3,345,200**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 3,345,200**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,345,200**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.4%**

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

* * * * *

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

CUSIP NO. 4506B109

SCHEDULE 13D

Page 9 of 19

Item 1. Security and Issuer

This Schedule 13D relates to shares of common stock, \$0.01 par value per share (the "Common Stock") of ITT Educational Services, Inc., a Delaware corporation (the "Issuer"). The principal executive office and mailing address of the Issuer is 13000 North Meridian Street, Carmel, IN 46032.

Item 2. Identity and Background

This Schedule 13D is being filed by Blum Capital Partners, L.P., a California limited partnership, ("Blum LP"); Richard C. Blum & Associates, Inc., a California corporation ("RCBA Inc."); Blum Strategic GP III, L.L.C., a Delaware limited liability company ("Blum GP III"); Blum Strategic GP III, L.P., a Delaware limited partnership ("Blum GP III LP"); Blum Strategic GP IV, L.L.C., a Delaware limited liability company ("Blum GP IV"); Blum Strategic GP IV, L.P., a Delaware limited partnership ("Blum GP IV LP"); and Saddlepoint Partners GP, L.L.C., a Delaware limited liability company ("Saddlepoint GP") (collectively, the "Reporting Persons").

Blum LP is a California limited partnership whose principal business is acting as general partner for investment partnerships and providing investment advisory services. Blum LP is an investment advisor registered with the Securities and Exchange Commission. The sole general partner of Blum LP is RCBA Inc.

The principal business office address of Blum LP and RCBA Inc. is 909 Montgomery Street, Suite 400, San Francisco, California 94133. The names of the executive officers and directors of RCBA Inc., their addresses, citizenship and principal occupations are as follows:

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 10 of 19

Name and Office Held	Business Address	Citizenship	Principal Occupation or Employment
Richard C. Blum President, Chairman & Director	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	President & Chairman, Blum LP
Nils Colin Lind Managing Partner & Director	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA and Norway	Managing Partner, Blum LP
John H. Park Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Gregory L. Jackson	909 Montgomery St.	USA	Partner,

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

Partner	Suite 400 San Francisco, CA 94133		Blum LP
Jane J. Su Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
David H.S. Chung Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Nadine F. Terman Partner	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Gregory D. Hitchan Partner, Chief Operating Officer, General Counsel and Secretary	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Chief Operating Officer, General Counsel and Secretary, Blum LP
Marc T. Scholvinck Partner, Chief Financial Officer, Assistant Secretary & Director	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner & Chief Financial Officer, Blum LP

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 11 of 19

Blum GP III is a Delaware limited liability company whose principal business is acting as the general partner of Blum GP III LP, a Delaware limited partnership, whose principal business is acting as the general partner of Blum Strategic Partners III, L.P. ("Blum Strategic III"), whose principal office is 909 Montgomery Street, Suite 400, San Francisco, California 94133.

The principal business office address of Blum GP III and Blum GP III LP is 909 Montgomery Street, Suite 400, San Francisco, California 94133. The names of the managing members and members of Blum GP III, their addresses, citizenship and principal occupations are as follows:

Name and Office Held	Business Address	Citizen- ship	Principal Occupation or Employment
-----	-----	-----	-----
Richard C. Blum Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	President & Chairman, Blum LP
Nils Colin Lind Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA and Norway	Managing Partner, Blum LP
John H. Park Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

Gregory L. Jackson Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Jane J. Su Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
David H.S. Chung Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Nadine F. Terman Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Gregory D. Hitchan Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Chief Operating Officer, General Counsel and Secretary, Blum LP
Marc T. Scholvinck Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner & Chief Financial Officer, Blum LP

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 12 of 19

Blum GP IV is a Delaware limited liability company whose principal business is acting as the general partner of Blum GP IV LP, a Delaware limited partnership, whose principal business is acting as the general partner of Blum Strategic Partners IV, L.P. ("Blum Strategic IV"), whose principal office is 909 Montgomery Street, Suite 400, San Francisco, California 94133.

The principal business office address of Blum GP IV and Blum GP IV LP is 909 Montgomery Street, Suite 400, San Francisco, California 94133. The names of the managing members and members of Blum GP IV, their addresses, citizenship and principal occupations are as follows:

Name and Office Held	Business Address	Citizen- ship	Principal Occupation or Employment
-----	-----	-----	-----
Richard C. Blum Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	President & Chairman, Blum LP
Nils Colin Lind Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA and Norway	Managing Partner, Blum LP
John H. Park Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Gregory L. Jackson Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

Jane J. Su Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
David H.S. Chung Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Nadine F. Terman Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Blum LP
Gregory D. Hitchan Managing Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner, Chief Operating Officer, General Counsel and Secretary, Blum LP
Marc T. Scholvinck Member	909 Montgomery St. Suite 400 San Francisco, CA 94133	USA	Partner & Chief Financial Officer, Blum LP

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 13 of 19

Saddlepoint GP is a Delaware limited liability company whose principal business is acting as the general partner of Saddlepoint Partners, L.P., a Delaware limited partnership ("Saddlepoint LP"), and Saddlepoint Partners (Cayman), L.P., a Cayman Islands exempted limited partnership ("Saddlepoint (Cayman) LP"). The principal business office address of Saddlepoint GP, Saddlepoint LP and Saddlepoint (Cayman) LP is 909 Montgomery Street, Suite 400, San Francisco, California 94133. Blum LP is the managing member of Saddlepoint GP. RCBA Inc. is the sole general partner of Blum LP. The principal business office for Blum LP and RCBA Inc. and the names of the executive officers and directors of RCBA Inc. and their addresses, citizenship and principal occupations are disclosed above.

To the best knowledge of the Reporting Persons, none of the entities or persons identified in this Item 2 has, during the past five years, been convicted of any criminal proceeding (excluding traffic violations or similar misdemeanors), nor been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Considerations

The source of funds for the purchases of securities was the working capital of Blum LP's limited partnerships and investment advisory clients, the partnership for which Blum GP III LP serves as the sole general partner, the partnership for which Blum GP IV LP serves as the sole general partner, and the partnerships for which Saddlepoint GP serves as the general partner.

Item 4. Purpose of Transaction

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

The purpose of the acquisition of the Common Stock is for investment, and the acquisitions of the Common Stock were made in the ordinary course of business and were not made for the purpose of acquiring control of the Issuer.

Although no Reporting Person has any specific plan or proposal to acquire or dispose of the Common Stock, consistent with its investment purpose, each Reporting Person at any time and from time to time may acquire additional Common Stock or dispose of any or all of its Common Stock depending upon an ongoing evaluation of the investment in the Common Stock, prevailing market conditions, other investment opportunities, liquidity requirements of the Reporting Persons and/or other investment considerations.

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 14 of 19

Also, consistent with the investment purpose, the Reporting Persons may engage in communications with one or more shareholders of the Issuer, one or more officers of the Issuer and/or one or more members of the board of directors of the Issuer and/or one or more representatives of the Issuer regarding the Issuer, including but not limited to its operations. The Reporting Persons may discuss ideas that, if effected may result in any of the following: the acquisition by persons of additional Common Stock of the Issuer, an extraordinary corporate transaction involving the Issuer, and/or changes in the board of directors or management of the Issuer.

Except to the extent the foregoing may be deemed a plan or proposal, none of the Reporting Persons has any plans or proposals which relate to, or could result in, any of the matters referred to in paragraphs (a) through (j), inclusive, of the instructions to Item 4 of Schedule 13D. The Reporting Persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

Item 5. Interest in Securities of the Issuer

(a), (b) According to the Issuer's Form 10-K filed with the Securities and Exchange Commission on February 21, 2008, there were 39,693,322 shares of Common Stock issued and outstanding as of January 31, 2008. Based on such information, after taking into account the transactions described in Item 5(c) below, the Reporting Persons report beneficial ownership of the following shares of Common Stock: (i) 499,375 shares of Common Stock held by Blum LP and RCBA Inc. on behalf of the limited partnerships for which Blum LP serves as the general partner, which represents 1.3% of the outstanding shares of the Common Stock; (ii) 1,190,600 shares of the Common Stock held by Blum GP III which serves as general partner of Blum GP III LP which, in turn, serves as the general partner of Blum Strategic III, which represents 3.0% of the outstanding shares of the Common Stock; (iii) 1,534,725 shares of the Common Stock held by Blum GP IV, which serves as general partner of Blum GP IV LP which, in turn, serves as the general partner of Blum Strategic IV, which represents 3.9% of the outstanding shares of the Common Stock; (iv) 63,200 shares of the Common Stock held by Saddlepoint GP on behalf of a partnership for which it serves as the general partner, which represents 0.2% of the outstanding shares of the Common Stock; and (v) 28,650 shares of the Common Stock that are legally owned by The Nuclear Decommissioning Trust of Dominion

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

Nuclear Connecticut, Inc. ("Dominion Connecticut"), which represents 0.1% of the outstanding shares of the Common Stock and 28,650 shares of the Common Stock that are legally owned by Virginia Electric and Power Company Qualified Nuclear Decommissioning Trust ("Virginia Electric"), which represents 0.1% of the outstanding shares of the Common Stock (collectively, the "Investment Advisory Clients"), with respect to which Blum LP has voting and investment

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 15 of 19

power. Each Investment Advisory Client has entered into an investment management agreement with Blum LP, but neither Investment Advisory Client has any contract, arrangement or understanding with the other Investment Advisory Client, or any other Reporting Person, with respect to the acquisition, ownership, disposition or voting of any shares of the Common Stock. Each Investment Advisory Client disclaims membership in a group with any Reporting Person or with the other Investment Advisory Client, and each disclaims beneficial ownership of any shares beneficially owned by the Reporting Persons other than for their own account.

Voting and investment power concerning the above shares are held solely by Blum LP, Blum GP III, Blum GP IV and Saddlepoint GP. The Reporting Persons therefore may be deemed to be members in a group, in which case the group would be deemed to have beneficial ownership of an aggregate of 3,345,200 shares of the Common Stock, which is 8.4% of the outstanding Common Stock. As the sole general partner of Blum LP, RCBA Inc. is deemed the beneficial owner of the securities over which Blum LP has voting and investment power. The filing of this Schedule shall not be construed as an admission that any of the shareholders, directors or executive officers of RCBA Inc. or the managing members and members of Blum GP III, Blum GP III LP, Blum GP IV, Blum GP IV LP, and Saddlepoint GP, is, for any purpose, the beneficial owner of any of the securities that are beneficially owned by RCBA Inc., Blum GP III LP, Blum GP III, Blum GP IV, Blum GP IV LP or Saddlepoint GP.

c) The Reporting Persons effected the following transactions in the Common Stock during the last 60 days:

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 16 of 19

The Reporting Persons purchased the following number of shares of Common Stock in the open market:

Entity	Trade Date	Shares	Price/Share
-----	-----	-----	-----
Investment partnerships for which Blum LP serves as the general partner.	01-22-2008	8,800	70.2438
	01-23-2008	1,800	69.1190
	01-23-2008	55,000	69.4742
	02-14-2008	82,475	69.5694
	02-15-2008	800	69.4931
	02-19-2008	36,100	68.7019
	02-19-2008	21,800	69.3395

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

02-19-2008	26,200	69.4009
02-19-2008	43,600	69.7589
02-21-2008	6,600	58.9087
02-21-2008	8,900	59.6786
02-21-2008	1,600	59.9500
02-22-2008	18,100	59.1217
02-25-2008	16,000	53.9343
02-25-2008	21,400	55.1302
02-25-2008	27,100	56.6961
02-25-2008	48,500	57.6869
02-26-2008	14,700	51.7196
02-27-2008	1,900	57.8079
02-28-2008	32,400	57.6723
02-29-2008	25,600	56.5932

Entity	Trade Date	Shares	Price/Share
-----	-----	-----	-----
For Blum Strategic III for	01-22-2008	16,500	70.2438
which Blum GP III LP	01-23-2008	3,100	69.1190
serves as the general partner	01-23-2008	103,200	69.4742
and for Blum GP III which	02-14-2008	200,100	69.5694
serves as the general	02-15-2008	700	69.4931
partner for Blum GP III LP.	02-19-2008	91,400	68.7019
	02-19-2008	55,300	69.3395
	02-19-2008	66,300	69.4009
	02-19-2008	110,500	69.7589
	02-21-2008	16,700	58.9087
	02-21-2008	22,500	59.6786
	02-21-2008	4,200	59.9500
	02-22-2008	57,000	59.1217
	02-25-2008	35,700	53.9343
	02-25-2008	47,400	55.1302
	02-25-2008	60,700	56.6961
	02-25-2008	108,000	57.6869
	02-26-2008	30,300	51.7196
	02-27-2008	4,200	57.8079
	02-28-2008	125,700	57.6723
	02-29-2008	31,100	56.5932

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 17 of 19

Entity	Trade Date	Shares	Price/Share
-----	-----	-----	-----
For Blum Strategic IV for	01-22-2008	262,800	70.2438
which Blum GP IV LP	01-23-2008	2,900	69.1190
serves as the general partner	01-23-2008	94,700	69.4742
and for Blum GP IV which	02-14-2008	276,704	69.5694
serves as the general	02-15-2008	17,100	69.4931
partner for Blum GP IV LP.	02-19-2008	29,221	68.7019
	02-19-2008	17,600	69.3395
	02-19-2008	21,100	69.4009
	02-19-2008	35,200	69.7589
	02-21-2008	124,900	58.9087
	02-21-2008	168,400	59.6786
	02-21-2008	31,300	59.9500
	02-22-2008	30,800	59.1217
	02-25-2008	26,200	53.9343

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

02-25-2008	34,800	55.1302
02-25-2008	44,300	56.6961
02-25-2008	79,200	57.6869
02-26-2008	106,400	51.7196
02-27-2008	24,235	57.8079
02-29-2008	106,865	56.5932

Entity	Trade Date	Shares	Price/Share
-----	-----	-----	-----
The partnership for which Saddlepoint GP serves as general partner.	01-22-2008	100	70.2438
	01-23-2008	500	69.4742
	02-14-2008	16,400	69.5694
	02-19-2008	4,700	68.7019
	02-19-2008	2,900	69.3395
	02-19-2008	3,400	69.4009
	02-19-2008	5,700	69.7589
	02-21-2008	800	58.9087
	02-21-2008	1,100	59.6786
	02-21-2008	200	59.9500
	02-22-2008	2,700	59.1217
	02-25-2008	2,100	53.9343
	02-25-2008	2,800	55.1302
	02-25-2008	3,500	56.6961
	02-25-2008	6,300	57.6869
	02-26-2008	1,900	51.7196
	02-27-2008	300	57.8079
	02-28-2008	7,400	57.6723
	02-29-2008	400	56.5932

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 18 of 19

Entity	Trade Date	Shares	Price/Share
-----	-----	-----	-----
The Investment Advisory Clients for which Blum LP serves as investment advisor.	01-22-2008	1,800	70.2438
	01-23-2008	400	69.1190
	01-23-2008	10,600	69.4742
	02-14-2008	3,300	69.5694
	02-19-2008	4,000	68.7019
	02-19-2008	2,400	69.3395
	02-19-2008	3,000	69.4009
	02-19-2008	5,000	69.7589
	02-21-2008	1,000	58.9087
	02-21-2008	1,600	59.6786
	02-21-2008	200	59.9500
	02-22-2008	1,400	59.1217
	02-25-2008	2,600	53.9343
	02-25-2008	3,600	55.1302
	02-25-2008	4,400	56.6961
	02-25-2008	8,000	57.6869
	02-26-2008	3,000	51.7196
	02-27-2008	400	57.8079
	02-29-2008	600	56.5932

(d) Not applicable.

(e) Not applicable.

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

None of the Reporting Persons or, to the best knowledge of the Reporting Persons, the other persons named in Item 2, is a party to any contract, arrangement, understanding or relationship with respect to any securities of the Issuer, including but not limited to the transfer or voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, except as noted above, Blum LP has voting and investment power of the shares held by it for the benefit of The Investment Advisory Clients.

Item 7. Material to be Filed as Exhibits

Exhibit A - Joint Filing Undertaking

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 19 of 19

SIGNATURES

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

Dated: March 3, 2008

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.

By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

BLUM STRATEGIC GP III, L.L.C.

BLUM STRATEGIC GP III, L.P.

By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC GP IV, L.L.C.

BLUM STRATEGIC GP IV, L.P.

By: Blum Strategic GP IV, L.L.C.
its General Partner

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

SADDLEPOINT PARTNERS GP, L.L.C.
By: Blum Capital Partners, L.P.
its Managing Member
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

* * * * *

CUSIP NO. 4506B109

SCHEDULE 13D

Page 1 of 1

Exhibit A
JOINT FILING UNDERTAKING

The undersigned, being duly authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13D to evidence the agreement of the below-named parties, in accordance with the rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule jointly on behalf of each such party.

Dated: March 3, 2008

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.
By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary

BLUM STRATEGIC GP III, L.L.C.

BLUM STRATEGIC GP III, L.P.
By: Blum Strategic GP III, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Managing Member

BLUM STRATEGIC GP IV, L.L.C.

BLUM STRATEGIC GP IV, L.P.
By: Blum Strategic GP IV, L.L.C.
its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

Edgar Filing: ITT EDUCATIONAL SERVICES INC - Form SC 13D

Gregory D. Hitchan
Managing Member

Gregory D. Hitchan
Managing Member

SADDLEPOINT PARTNERS GP, L.L.C.

By: Blum Capital Partners, L.P.
its Managing Member

By: Richard C. Blum & Associates, Inc.
its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, Chief Operating Officer,
General Counsel and Secretary