

ITT EDUCATIONAL SERVICES INC
 Form 4
 September 05, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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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 *
 ELWOOD CLARK D

2. Issuer Name and Ticker or Trading Symbol
 ITT EDUCATIONAL SERVICES INC [ESI]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Sr VP, Gen Counsel & Secretary

(Last) (First) (Middle)
 C/O ITT EDUCATIONAL SERVICES INC, 13000 NORTH MERIDIAN STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/04/2007

CARMEL, IN 46032-1404
 (City) (State) (Zip)

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

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)	
			Code	V	Amount or Price			
Common Stock	09/04/2007		M ⁽¹⁾		15,000 <u>(2)</u>	A	\$ 17.063 <u>(3)</u> 23,304	D
Common Stock	09/04/2007		M ⁽¹⁾		10,000 <u>(4)</u>	A	\$ 9.719 <u>(5)</u> 33,304	D
Common Stock	09/04/2007		S ⁽¹⁾		2,500 <u>(2)</u>	D	\$ 108.82 30,804	D
Common Stock	09/04/2007		S ⁽¹⁾		100 <u>(2)</u>	D	\$ 108.7 30,704	D

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Common Stock	09/04/2007	<u>S(1)</u>	100 <u>(2)</u>	D	\$ 108.69	30,604	D
Common Stock	09/04/2007	<u>S(1)</u>	400 <u>(2)</u>	D	\$ 108.68	30,204	D
Common Stock	09/04/2007	<u>S(1)</u>	100 <u>(2)</u>	D	\$ 108.67	30,104	D
Common Stock	09/04/2007	<u>S(1)</u>	100 <u>(2)</u>	D	\$ 108.66	30,004	D
Common Stock	09/04/2007	<u>S(1)</u>	100 <u>(2)</u>	D	\$ 108.65	29,904	D
Common Stock	09/04/2007	<u>S(1)</u>	100 <u>(2)</u>	D	\$ 108.64	29,804	D
Common Stock	09/04/2007	<u>S(1)</u>	200 <u>(2)</u>	D	\$ 108.63	29,604	D
Common Stock	09/04/2007	<u>S(1)</u>	500 <u>(2)</u>	D	\$ 108.62	29,104	D
Common Stock	09/04/2007	<u>S(1)</u>	500 <u>(2)</u>	D	\$ 108.61	28,604	D
Common Stock	09/04/2007	<u>S(1)</u>	700 <u>(2)</u>	D	\$ 108.6	27,904	D
Common Stock	09/04/2007	<u>S(1)</u>	300 <u>(2)</u>	D	\$ 108.59	27,604	D
Common Stock	09/04/2007	<u>S(1)</u>	400 <u>(2)</u>	D	\$ 108.58	27,204	D
Common Stock	09/04/2007	<u>S(1)</u>	400 <u>(2)</u>	D	\$ 108.57	26,804	D
Common Stock	09/04/2007	<u>S(1)</u>	400 <u>(2)</u>	D	\$ 108.56	26,404	D
Common Stock	09/04/2007	<u>S(1)</u>	400 <u>(2)</u>	D	\$ 108.55	26,004	D
Common Stock	09/04/2007	<u>S(1)</u>	200 <u>(2)</u>	D	\$ 108.51	25,804	D
Common Stock	09/04/2007	<u>S(1)</u>	200 <u>(2)</u>	D	\$ 108.5	25,604	D
Common Stock	09/04/2007	<u>S(1)</u>	200 <u>(2)</u>	D	\$ 108.39	25,404	D
Common Stock	09/04/2007	<u>S(1)</u>	200 <u>(2)</u>	D	\$ 108.38	25,204	D
Common Stock	09/04/2007	<u>S(1)</u>	200 <u>(2)</u>	D	\$ 108.37	25,004	D
	09/04/2007	<u>S(1)</u>	200 <u>(2)</u>	D		24,804	D

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Common Stock						\$				108.36
Common Stock	09/04/2007		S ⁽¹⁾	500 ⁽²⁾	D	\$	108.35	24,304		D
Common Stock	09/04/2007		S ⁽¹⁾	200 ⁽²⁾	D	\$	108.33	24,104		D
Common Stock	09/04/2007		S ⁽¹⁾	200 ⁽²⁾	D	\$	108.32	23,904		D
Common Stock	09/04/2007		S ⁽¹⁾	200 ⁽²⁾	D	\$	108.31	23,704		D
Common Stock	09/04/2007		S ⁽¹⁾	200 ⁽²⁾	D	\$	108.3	23,504		D

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

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(9-02)

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

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)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 17.063 ⁽³⁾	09/04/2007		M ⁽¹⁾	15,000 ⁽²⁾	⁽⁶⁾ 01/28/2009	Common Stock	15,000
Stock Option (Right to Buy)	\$ 9.719 ⁽⁵⁾	09/04/2007		M ⁽¹⁾	10,000 ⁽⁴⁾	⁽⁷⁾ 01/25/2011	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

ELWOOD CLARK D
C/O ITT EDUCATIONAL SERVICES INC
13000 NORTH MERIDIAN STREET
CARMEL, IN 46032-1404

Sr VP, Gen Counsel & Secretary

Signatures

Christine G. Long, Attorney-In-Fact for Clark D.
Elwood

09/05/2007

__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 transactions reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 18, 2007.

Represents a portion of the: (a) 20,000 shares subject to a stock option (right to buy) with an effective grant date of January 26, 1999 ("1999 Option"); and (b) the increase of 20,000 shares subject to the 1999 Option pursuant to the 2-for-1 split of the ESI common stock on June 6, 2002 ("June 2002 Split").
 - (2) Represents an original exercise price of \$34.125 for the shares of ESI common stock subject to the 1999 Option, reduced to \$17.063 pursuant to the June 2002 Split.
 - (3) Represents a portion of the: (a) 20,000 shares subject to a stock option (right to buy) with an effective grant date of January 23, 2001 ("2001 Option"); and (b) the increase of 20,000 shares subject to the 2001 Option pursuant to the June 2002 Split.
 - (4) Represents an original exercise price of \$19.438 for the shares of ESI common stock subject to the 2001 Option, reduced to \$9.719 pursuant to the June 2002 Split.
 - (5) The option vested in three equal installments on January 26, 2000, 2001 and 2002.
 - (6) The option vested in three equal installments on January 23, 2002, 2003 and 2004.
 - (7)

Remarks:

Power of Attorney is attached hereto as exhibit 24.

This is the first of three Form 4s filed by the reporting person for transactions that occurred on September 4, 2007. Due to software limitations, all of the transactions that occurred on that date cannot be reported on one Form 4.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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