

ITT EDUCATIONAL SERVICES INC  
Form 4  
January 30, 2003

**FORM 4**

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

OMB APPROVAL

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed By  
Romeo and Dye's  
Section 16 Filer  
www.section16.net

1. Name and Address of Reporting Person* <b>Baugh, Gene A.</b> (Last) (First) (Middle) <b>5975 Castle Creek Parkway, North Drive</b> (Street) <b>Indianapolis, IN 46250</b> (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <b>ITT Educational Services, Inc. ESI</b>				6. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) <b>Former Senior Vice President and Chief Financial Officer</b>			
3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)			4. Statement for Month/Day/Year <b>01-29-03</b>		7. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person					
			5. If Amendment, Date of Original (Month/Day/Year)							
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 & 5)			5. Amount of Securities Beneficially Owned Following Reported Transactions(s) (Instr. 3 & 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01-29-03		M		45,000 <sup>(1)</sup>	A	\$2.223 <sup>(2)</sup>			
Common Stock	01-29-03		S		800	D	\$25.62			
Common Stock	01-29-03		S		44,200	D	\$25.50			
Common Stock	01-29-03		M		22,500 <sup>(3)</sup>	A	\$5.973 <sup>(4)</sup>			
Common Stock	01-29-03		S		22,500	D	\$25.50	23,992 <sup>(5)</sup>	D	
								1,426 <sup>(6)</sup>	I	By 401(k) Plan

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

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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**FORM 4 (continued) 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 & 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Stock Option (Right to Buy)	\$2.223	01-29-03		M		45,000	(7)	12-22-04	Common Stock	45,000		0	D	
Stock Option (Right to Buy)	\$5.973	01-29-03		M		22,500	(8)	02-18-06	Common Stock	22,500		0	D	

Explanation of Responses:

(1) Total represents: 10,000 shares subject to a stock option (right to buy) granted on December 20, 1994 ("1994 Option"); (b) the increase of 5,000 shares subject to the 1994 Option pursuant to the 3-for-2 split of the ESI common stock on April 16, 1996 ("April 1996 Split"); (c) the increase of 7,500 shares subject to the 1994 Option pursuant to the 3-for-2 split of the ESI common stock on November 5, 1996 ("November 1996 Split"); and (d) the increase of 22,500 shares subject to the 1994 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 \$10.00 for the shares of ESI common stock subject to the 1994 Option: (a) reduced to \$6.667 pursuant to the April 1996 Split; (b) reduced to \$4.445 pursuant to the November 1996 Split; and (c) reduced to \$2.223 pursuant to the June 2002 Split.

(3) Total represents: (a) 5,000 shares subject to a stock option (right to buy) granted on February 16, 1996 ("1996 Option"); (b) the increase of 20,000 shares subject to the 1996 Option pursuant to the April 1996 Split; (c) the increase of 3,750 shares subject to the 1996 Option pursuant to the November 1996 Split; and (d) the increase of 11,250 shares subject to the 1996 Option pursuant to the June 2002 Split.

(4) Represents an original exercise price of \$26.875 for the shares of ESI common stock subject to the 1996 Option: (a) reduced to \$17.917 pursuant to the April 1996 Split; (b) reduced to \$11.945 pursuant to the November 1996 Split; and (c) reduced to \$5.973 pursuant to the June 2002 Split.

(5) Total represents: (a) 11,996 shares beneficially owned as of May 31, 2002; (b) the acquisition of 11,996 shares pursuant to the June 2002 Split; and (c) the acquisition and disposition of 67,500 shares on January 29, 2003 as reported on this Form 4.

(6) Total represents: (a) 690 shares beneficially owned on May 31, 2002 under the ESI 401(k) plan; (b) 690 shares acquired under the ESI 401(k) plan pursuant to the June 2002 Split; and (c) 46 shares acquired under the ESI 401(k) plan from June 1, 2002 through January 15, 2003.

(7) The option vested in three equal installments on December 20, 1995, 1996 and 1997.

(8) The option vested in three equal installments on February 16, 1997, 1998 and 1999.

By: /s/ **Clark D. Elwood**  
**Attorney-In-Fact for Gene A. Baugh**

**January 30, 2003**  
 Date

\*\*Signature of Reporting Person

\*\*Intentional misstatements or omissions of facts constitute Federal Criminal Violations.  
 See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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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