

ITT EDUCATIONAL SERVICES INC  
Form 4  
June 27, 2007

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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**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 \*  
CHAMPAGNE RENE R

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
06/26/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman of Board and Employee

C/O ITT EDUCATIONAL SERVICES INC, 13000 NORTH MERIDIAN STREET

(Street)

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

CARMEL, IN 46032-1404

(City) (State) (Zip)

**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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	06/26/2007		M <sup>(1)</sup>		57,500 <sup>(2)</sup>	A	\$ 17.25 <sup>(3)</sup> 131,340 D
Common Stock	06/26/2007		S <sup>(1)</sup>		500 <sup>(2)</sup>	D	\$ 111.23 130,840 D
Common Stock	06/26/2007		S <sup>(1)</sup>		600 <sup>(2)</sup>	D	\$ 111.25 130,240 D
Common Stock	06/26/2007		S <sup>(1)</sup>		100 <sup>(2)</sup>	D	\$ 111.27 130,140 D
	06/26/2007		S <sup>(1)</sup>		600 <sup>(2)</sup>	D	129,540 D

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Common Stock					\$ 111.31		
Common Stock	06/26/2007	<u>S(1)</u>	600 <u>(2)</u>	D	\$ 111.33	128,940	D
Common Stock	06/26/2007	<u>S(1)</u>	700 <u>(2)</u>	D	\$ 111.36	128,240	D
Common Stock	06/26/2007	<u>S(1)</u>	2,900 <u>(2)</u>	D	\$ 111.38	125,340	D
Common Stock	06/26/2007	<u>S(1)</u>	100 <u>(2)</u>	D	\$ 111.4	125,240	D
Common Stock	06/26/2007	<u>S(1)</u>	500 <u>(2)</u>	D	\$ 111.41	124,740	D
Common Stock	06/26/2007	<u>S(1)</u>	1,000 <u>(2)</u>	D	\$ 111.42	123,740	D
Common Stock	06/26/2007	<u>S(1)</u>	500 <u>(2)</u>	D	\$ 111.44	123,240	D
Common Stock	06/26/2007	<u>S(1)</u>	600 <u>(2)</u>	D	\$ 111.47	122,640	D
Common Stock	06/26/2007	<u>S(1)</u>	1,300 <u>(2)</u>	D	\$ 111.49	121,340	D
Common Stock	06/26/2007	<u>S(1)</u>	300 <u>(2)</u>	D	\$ 111.53	121,040	D
Common Stock	06/26/2007	<u>S(1)</u>	500 <u>(2)</u>	D	\$ 111.58	120,540	D
Common Stock	06/26/2007	<u>S(1)</u>	400 <u>(2)</u>	D	\$ 111.61	120,140	D
Common Stock	06/26/2007	<u>S(1)</u>	200 <u>(2)</u>	D	\$ 111.62	119,940	D
Common Stock	06/26/2007	<u>S(1)</u>	600 <u>(2)</u>	D	\$ 111.63	119,340	D
Common Stock	06/26/2007	<u>S(1)</u>	1,100 <u>(2)</u>	D	\$ 111.64	118,240	D
Common Stock	06/26/2007	<u>S(1)</u>	500 <u>(2)</u>	D	\$ 111.67	117,740	D
Common Stock	06/26/2007	<u>S(1)</u>	800 <u>(2)</u>	D	\$ 111.68	116,940	D
Common Stock	06/26/2007	<u>S(1)</u>	300 <u>(2)</u>	D	\$ 111.69	116,640	D
Common Stock	06/26/2007	<u>S(1)</u>	3,500 <u>(2)</u>	D	\$ 111.7	113,140	D
	06/26/2007	<u>S(1)</u>		D		112,040	D

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Common Stock				1,100 <u>(2)</u>	\$			111.71	
Common Stock	06/26/2007	S <u>(1)</u>	100	<u>(2)</u>	D	\$	111.73	111,940	D
Common Stock	06/26/2007	S <u>(1)</u>	200	<u>(2)</u>	D	\$	111.75	111,740	D
Common Stock	06/26/2007	S <u>(1)</u>	900	<u>(2)</u>	D	\$	111.76	110,840	D
Common Stock	06/26/2007	S <u>(1)</u>	400	<u>(2)</u>	D	\$	111.77	110,440	D
Common Stock	06/26/2007	S <u>(1)</u>	300	<u>(2)</u>	D	\$	111.78	110,140	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock (Right to Buy)	\$ 17.25 <u>(3)</u>	06/26/2007		M <u>(1)</u>	57,500 <u>(2)</u>	<u>(4)</u>	01/24/2012	Common Stock	57,500 <u>(2)</u>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CHAMPAGNE RENE R C/O ITT EDUCATIONAL SERVICES INC 13000 NORTH MERIDIAN STREET CARMEL, IN 46032-1404	X			Chairman of Board and Employee

## Signatures

Christine G. Long, Attorney-In-Fact for Rene R.  
Champagne

06/27/2007

\_\_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 2, 2007.  
Represents a portion of the: (a) 55,000 shares subject to a stock option (right to buy) granted on January 22, 2002 ("2002 Option"); and
  - (2) (b) the increase of 55,000 shares subject to the 2002 Option pursuant to the 2-for-1 split of ESI common stock on June 6, 2002 ("June 2002 Split").
  - (3) Represents an original exercise price of \$34.50 for the shares of ESI common stock subject to the 2002 Option, reduced to \$17.25 pursuant to the June 2002 Split.
  - (4) The option vested in three equal installments on January 22, 2003, 2004 and 2005.

### Remarks:

This is the first of three Form 4s filed by the reporting person for transactions that occurred on June 26, 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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