

ITT EDUCATIONAL SERVICES INC

Form 4

October 16, 2006

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

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

OMB APPROVAL

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(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)

(Last) (First) (Middle)
13000 NORTH MERIDIAN
STREET

3. Date of Earliest Transaction
(Month/Day/Year)
10/16/2006

____ Director ____ 10% Owner
____ Officer (give title below) ____ Other (specify below)
Sr VP, Gen Counsel & Secretary

(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

(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 (A) or (D) Price		
Common Stock	10/16/2006		S ⁽¹⁾	138 ⁽²⁾	D \$ 70.42	16,043 ⁽³⁾	D
Common Stock	10/16/2006		S ⁽¹⁾	171 ⁽²⁾	D \$ 70.43	15,872 ⁽³⁾	D
Common Stock	10/16/2006		S ⁽¹⁾	309 ⁽²⁾	D \$ 70.44	15,563 ⁽³⁾	D
Common Stock	10/16/2006		S ⁽¹⁾	34 ⁽²⁾	D \$ 70.45	15,529 ⁽³⁾	D
Common Stock	10/16/2006		S ⁽¹⁾	342 ⁽²⁾	D \$ 70.46	15,187 ⁽³⁾	D

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Common Stock	10/16/2006	S ⁽¹⁾	856 ⁽²⁾	D	\$ 70.47	14,331 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	171 ⁽²⁾	D	\$ 70.48	14,160 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	274 ⁽²⁾	D	\$ 70.49	13,886 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	651 ⁽²⁾	D	\$ 70.5	13,235 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	171 ⁽²⁾	D	\$ 70.51	13,064 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	342 ⁽²⁾	D	\$ 70.52	12,722 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	308 ⁽²⁾	D	\$ 70.53	12,414 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	34 ⁽²⁾	D	\$ 70.54	12,380 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	103 ⁽²⁾	D	\$ 70.55	12,277 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	103 ⁽²⁾	D	\$ 70.56	12,174 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	411 ⁽²⁾	D	\$ 70.57	11,763 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	308 ⁽²⁾	D	\$ 70.58	11,455 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	34 ⁽²⁾	D	\$ 70.59	11,421 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	274 ⁽²⁾	D	\$ 70.6	11,147 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	377 ⁽²⁾	D	\$ 70.61	10,770 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	274 ⁽²⁾	D	\$ 70.62	10,496 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	274 ⁽²⁾	D	\$ 70.63	10,222 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	685 ⁽²⁾	D	\$ 70.64	9,537 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	514 ⁽²⁾	D	\$ 70.65	9,023 ⁽³⁾	D
Common Stock	10/16/2006	S ⁽¹⁾	240 ⁽²⁾	D	\$ 70.67	8,783 ⁽³⁾	D
	10/16/2006	S ⁽¹⁾	205 ⁽²⁾	D		8,578 ⁽³⁾	D

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Common					\$		
Stock					70.68		
Common	10/16/2006	S ⁽¹⁾	274 ⁽²⁾	D	\$	8,304 ⁽³⁾	D
Stock					70.69		

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)	\$ 12.125	10/16/2006		M ⁽¹⁾	15,135	⁽⁴⁾ 02/12/2007	Common Stock	15,135

Reporting Owners

Reporting Owner Name / Address	Relationships
ELWOOD CLARK D 13000 NORTH MERIDIAN STREET CARMEL,, IN 46032	Director 10% Owner Officer Other Sr VP, Gen Counsel & Secretary

Signatures

Clark D.
Elwood
10/16/2006
**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).

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- (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 5, 2006.
- Represents a portion of the: (a) 18,750 shares subject to a stock option (right to buy) granted on February 10, 1997 ("1997 Option"); and
- (2) (b) the increase of 18,750 shares subject to the 1997 Option pursuant to the 2-for-1 split of the ESI common stock on June 6, 2002 ("June 2002 Split").
- (3) This total does not include 6,097 shares of ESI common stock beneficially owned under the ESI 401(k) Plan on October 12, 2006.
- (4) The option vested in three equal installments on February 10, 1998, 1999 and 2000.

Remarks:

This is the second of two Form 4s filed by the reporting person for transactions that occurred on October 16, 2006. Due to soft

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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