

ITT EDUCATIONAL SERVICES INC
 Form 4
 February 02, 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 *
 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)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman and CEO

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

3. Date of Earliest Transaction (Month/Day/Year)
 02/02/2007

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/02/2007		M ⁽¹⁾	A	135,000 ⁽²⁾ \$ 9.719 ⁽³⁾ 199,388 ⁽⁴⁾	D	
Common Stock	02/02/2007		M ⁽¹⁾	A	107,200 ⁽⁵⁾ \$ 10.844 ⁽⁶⁾ 306,588 ⁽⁴⁾	D	
Common Stock	02/02/2007		S ⁽¹⁾	D	242,200 ^{(2) (5)} \$ 80 64,388 ⁽⁴⁾	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 9.719	02/02/2007		M ⁽¹⁾	135,000	⁽⁷⁾	01/25/2001	Common Stock	135,000
Stock Option (Right to Buy)	\$ 10.844	02/02/2007		M ⁽¹⁾	107,200	⁽⁸⁾	01/15/2008	Common Stock	107,200

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 and CEO	

Signatures

Clark D. Elwood, Attorney-In-Fact for Rene R.
Champagne

02/02/2007

__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 November 2, 2006.
- Represents the: (a) 67,500 shares subject to a stock option (right to buy) granted on January 23, 2001 ("2001 Option"); and (b) the
- (2) increase of 67,500 shares subject to the 2001 Option pursuant to the 2-for-1 split of the ESI common stock on June 6, 2002 ("June 2002 Split").

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- (3) 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.
- (4) This total does not include 10,801 shares of ESI common stock beneficially owned under the ESI 401(k) Plan on January 9, 2007, or 22,300 shares of ESI common stock that are indirectly owned by the reporting person through a trust.
- (5) Represents a portion of the: (a) 67,000 shares subject to a stock option (right to buy) granted on January 13, 1998 ("1998 Option"); and (b) the increase of 67,000 shares subject to the 1998 Option pursuant to the June 2002 Split.
- (6) Represents an original exercise price of \$21.688 for the shares of ESI common stock subject to the 1998 Option, reduced to \$10.844 pursuant to the June 2002 Split.
- (7) The option vested in three equal installments on January 23, 2002, 2003 and 2004.
- (8) The option vested in three equal installments on January 13, 1999, 2000 and 2001.

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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