#### ITT EDUCATIONAL SERVICES INC

Form 4

October 16, 2006

### FORM 4

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

OMB Number: 3235-0287

burden hours per

5. Relationship of Reporting Person(s) to

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005
Estimated average

**OMB APPROVAL** 

Form 4 or Form 5 obligations may continue. See Instruction

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

2. Issuer Name and Ticker or Trading

response... 0.5

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \*

CHAMPAGNE RENE R		Symbol ITT EDUCATIONAL SERVICES					CES	Issuer (Check all applicable)				
			INC [ES	INC [ESI]					(Спеск ан аррисавіе)			
(Last)	(First)	(Middle)	(Month/D			ansaction			X Director 10% Owner X Officer (give title Other (specify below)			
13000 NORTH MERIDIAN STREET			10/16/2006						Chairman and CEO			
	(Street) 4. If An			endment, Date Original					6. Individual or Joint/Group Filing(Check			
			Filed(Mor	I(Month/Day/Year)					Applicable Line) _X_ Form filed by One Reporting Person			
CARMEL,,							Form filed by More than One Reporting Person					
(City)	(State)	(Zip)	Tabl	e I - Noi	n-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction I (Month/Day/Ye	ear) Execution	emed on Date, if /Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			d of (D)	5. Amount of Securities Form: Direct Indirect Seneficially (D) or Beneficially Owned Indirect (I) Owner Following (Instr. 4) (Instr. 4)				
				Code	V	Amount	or	Price	Transaction(s) (Instr. 3 and 4)			
Common Stock	10/16/2006			S <u>(1)</u>		262 (2)	D	\$ 70.42	116,049 (3)	D		
Common Stock	10/16/2006			S <u>(1)</u>		329 (2)	D	\$ 70.43	115,720 (3)	D		
Common Stock	10/16/2006			S <u>(1)</u>		591 (2)	D	\$ 70.44	115,129 (3)	D		
Common Stock	10/16/2006			S(1)		66 (2)	D	\$ 70.45	115,063 (3)	D		
Common Stock	10/16/2006			S <u>(1)</u>		658 (2)	D	\$ 70.46	114,405 (3)	D		

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Common Stock	10/16/2006	S <u>(1)</u>	1,644 (2)	D	\$ 70.47	112,761 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	329 (2)	D	\$ 70.48	112,432 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	526 (2)	D	\$ 70.49	111,906 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	1,249 (2)	D	\$ 70.5	110,657 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	329 (2)	D	\$ 70.51	110,328 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	658 (2)	D	\$ 70.52	109,670 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	592 (2)	D	\$ 70.53	109,078 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	66 (2)	D	\$ 70.54	109,012 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	197 (2)	D	\$ 70.55	108,815 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	197 (2)	D	\$ 70.56	108,618 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	789 (2)	D	\$ 70.57	107,829 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	592 (2)	D	\$ 70.58	107,237 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	66 (2)	D	\$ 70.59	107,171 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	526 (2)	D	\$ 70.6	106,645 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	723 (2)	D	\$ 70.61	105,922 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	526 (2)	D	\$ 70.62	105,396 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	526 (2)	D	\$ 70.63	104,870 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	1,315 (2)	D	\$ 70.64	103,555 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	986 (2)	D	\$ 70.65	102,569 (3)	D
Common Stock	10/16/2006	S <u>(1)</u>	460 (2)	D	\$ 70.67	102,109 (3)	D
	10/16/2006	S <u>(1)</u>	395 (2)	D		101,714 (3)	D

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Common \$ Stock 70.68

Common Stock  $S_{\underline{(1)}} = 526 \, \underline{(2)} = D + \frac{\$}{70.69} = 101,188 \, \underline{(3)} = D$ 

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. Transactic Code (Instr. 8)	5. Number of on Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	vative Expiration Date (Month/Day/Year) varied (A) isposed of cr. 3, 4,		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)	\$ 6.75	10/16/2006		M <u>(1)</u>	29,065	<u>(4)</u>	01/09/2010	Common Stock	29,065

Relationshins

# **Reporting Owners**

Reporting Owner Name / Address			ciutionsps	
	Director	10% Owner	Officer	Other
CHAMDAGNE DENE D				

CHAMPAGNE KENE K

13000 NORTH MERIDIAN STREET X Chairman and CEO CARMEL,, IN 46032

**Signatures** 

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

\*\*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)

Reporting Owners 3

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The transactions reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on February 1, 2006.

- Represents a portion of the: (a) 67,500 shares subject to a stock option (right to buy) granted on January 7, 2000 ("2000 Option"); and (b) the increase of 67,500 shares subject to the 2000 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 10,801 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 January 7, 2001, 2002 and 2003.

#### **Remarks:**

This is the second of two Form 4s filed by the reporting person for transactions that occurred on October 16, 2006. Due to sof Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.