

ITT EDUCATIONAL SERVICES INC  
Form 4  
September 05, 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 \*  
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)

3. Date of Earliest Transaction (Month/Day/Year)  
09/04/2007

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

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 Ownership (Instr. 4) |   |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
|                                 |                                      |  | Code                           | V   | Amount or Price   |  |                                   |   |
| Common Stock                    | 09/04/2007                           |  | M <sup>(1)</sup>               |   | 15,000<br><u>(2)</u>  | A  | \$ 17.063<br><u>(3)</u> 23,304    | D |
| Common Stock                    | 09/04/2007                           |  | M <sup>(1)</sup>               |   | 10,000<br><u>(4)</u>  | A  | \$ 9.719<br><u>(5)</u> 33,304     | D |
| Common Stock                    | 09/04/2007                           |  | S <sup>(1)</sup>               |   | 2,500<br><u>(2)</u>   | D  | \$ 108.82 30,804                  | D |
| Common Stock                    | 09/04/2007                           |  | S <sup>(1)</sup>               |   | 100 <u>(2)</u>  | D  | \$ 108.7 30,704                   | D |

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|              |            |             |                |   |           |        |   |
|--------------|------------|-------------|----------------|---|-----------|--------|---|
| Common Stock | 09/04/2007 | <u>S(1)</u> | 100 <u>(2)</u> | D | \$ 108.69 | 30,604 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 400 <u>(2)</u> | D | \$ 108.68 | 30,204 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 100 <u>(2)</u> | D | \$ 108.67 | 30,104 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 100 <u>(2)</u> | D | \$ 108.66 | 30,004 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 100 <u>(2)</u> | D | \$ 108.65 | 29,904 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 100 <u>(2)</u> | D | \$ 108.64 | 29,804 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 200 <u>(2)</u> | D | \$ 108.63 | 29,604 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 500 <u>(2)</u> | D | \$ 108.62 | 29,104 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 500 <u>(2)</u> | D | \$ 108.61 | 28,604 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 700 <u>(2)</u> | D | \$ 108.6  | 27,904 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 300 <u>(2)</u> | D | \$ 108.59 | 27,604 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 400 <u>(2)</u> | D | \$ 108.58 | 27,204 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 400 <u>(2)</u> | D | \$ 108.57 | 26,804 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 400 <u>(2)</u> | D | \$ 108.56 | 26,404 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 400 <u>(2)</u> | D | \$ 108.55 | 26,004 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 200 <u>(2)</u> | D | \$ 108.51 | 25,804 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 200 <u>(2)</u> | D | \$ 108.5  | 25,604 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 200 <u>(2)</u> | D | \$ 108.39 | 25,404 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 200 <u>(2)</u> | D | \$ 108.38 | 25,204 | D |
| Common Stock | 09/04/2007 | <u>S(1)</u> | 200 <u>(2)</u> | D | \$ 108.37 | 25,004 | D |
|              | 09/04/2007 | <u>S(1)</u> | 200 <u>(2)</u> | D |           | 24,804 | D |

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|              |            |  |                  |                    |   |    |        |        |  |        |
|--------------|------------|--|------------------|--------------------|---|----|--------|--------|--|--------|
| Common Stock |            |  |                  |                    |   | \$ |        |        |  | 108.36 |
| Common Stock | 09/04/2007 |  | S <sup>(1)</sup> | 500 <sup>(2)</sup> | D | \$ | 108.35 | 24,304 |  | D      |
| Common Stock | 09/04/2007 |  | S <sup>(1)</sup> | 200 <sup>(2)</sup> | D | \$ | 108.33 | 24,104 |  | D      |
| Common Stock | 09/04/2007 |  | S <sup>(1)</sup> | 200 <sup>(2)</sup> | D | \$ | 108.32 | 23,904 |  | D      |
| Common Stock | 09/04/2007 |  | S <sup>(1)</sup> | 200 <sup>(2)</sup> | D | \$ | 108.31 | 23,704 |  | D      |
| Common Stock | 09/04/2007 |  | S <sup>(1)</sup> | 200 <sup>(2)</sup> | D | \$ | 108.3  | 23,504 |  | 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy)                | \$ 17.063 <sup>(3)</sup>                               | 09/04/2007                           |  | M <sup>(1)</sup>               | 15,000 <sup>(2)</sup>   | <sup>(6)</sup> 01/28/2009                                | Common Stock  | 15,000                        |
| Stock Option (Right to Buy)                | \$ 9.719 <sup>(5)</sup>                                | 09/04/2007                           |  | M <sup>(1)</sup>               | 10,000 <sup>(4)</sup>   | <sup>(7)</sup> 01/25/2011                                | Common Stock  | 10,000                        |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director    10% Owner    Officer    Other

Reporting Owners

ELWOOD CLARK D  
C/O ITT EDUCATIONAL SERVICES INC  
13000 NORTH MERIDIAN STREET  
CARMEL, IN 46032-1404

Sr VP, Gen Counsel & Secretary

## Signatures

Christine G. Long, Attorney-In-Fact for Clark D.  
Elwood

09/05/2007

\_\_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 18, 2007.  
  
Represents a portion of the: (a) 20,000 shares subject to a stock option (right to buy) with an effective grant date of January 26, 1999 ("1999 Option"); and (b) the increase of 20,000 shares subject to the 1999 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 \$34.125 for the shares of ESI common stock subject to the 1999 Option, reduced to \$17.063 pursuant to the June 2002 Split.
  - (3) Represents a portion of the: (a) 20,000 shares subject to a stock option (right to buy) with an effective grant date of January 23, 2001 ("2001 Option"); and (b) the increase of 20,000 shares subject to the 2001 Option pursuant to the June 2002 Split.
  - (4) 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.
  - (5) The option vested in three equal installments on January 26, 2000, 2001 and 2002.
  - (6) The option vested in three equal installments on January 23, 2002, 2003 and 2004.
  - (7)

### Remarks:

Power of Attorney is attached hereto as exhibit 24.

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