

CHAMPAGNE RENE R  
Form 4  
June 20, 2007

**FORM 4**

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

OMB APPROVAL

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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)  
06/19/2007

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 (A) or (D)					
Common Stock	06/19/2007		M <sup>(1)</sup>		5,000 (2)	A	\$ 17.06 (3)	78,840	D	
Common Stock	06/19/2007		M <sup>(1)</sup>		52,500 (4)	A	\$ 17.25 (5)	131,340	D	
Common Stock	06/19/2007		S <sup>(1)</sup>		100	D	\$ 112.62	131,240	D	
Common Stock	06/19/2007		S <sup>(1)</sup>		200	D	\$ 112.63	131,040	D	
	06/19/2007		S <sup>(1)</sup>		200	D		130,840	D	

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Common Stock					\$	112.64	
Common Stock	06/19/2007	<u>S(1)</u>	200	D	\$	112.65	130,640 D
Common Stock	06/19/2007	<u>S(1)</u>	400	D	\$	112.66	130,240 D
Common Stock	06/19/2007	<u>S(1)</u>	700	D	\$	112.67	129,540 D
Common Stock	06/19/2007	<u>S(1)</u>	200	D	\$	112.68	129,340 D
Common Stock	06/19/2007	<u>S(1)</u>	100	D	\$	112.7	129,240 D
Common Stock	06/19/2007	<u>S(1)</u>	100	D	\$	112.71	129,140 D
Common Stock	06/19/2007	<u>S(1)</u>	700	D	\$	112.72	128,440 D
Common Stock	06/19/2007	<u>S(1)</u>	700	D	\$	112.73	127,740 D
Common Stock	06/19/2007	<u>S(1)</u>	800	D	\$	112.74	126,940 D
Common Stock	06/19/2007	<u>S(1)</u>	300	D	\$	112.75	126,640 D
Common Stock	06/19/2007	<u>S(1)</u>	800	D	\$	112.76	125,840 D
Common Stock	06/19/2007	<u>S(1)</u>	700	D	\$	112.78	125,140 D
Common Stock	06/19/2007	<u>S(1)</u>	200	D	\$	112.79	124,940 D
Common Stock	06/19/2007	<u>S(1)</u>	100	D	\$	112.8	124,840 D
Common Stock	06/19/2007	<u>S(1)</u>	1,400	D	\$	112.81	123,440 D
Common Stock	06/19/2007	<u>S(1)</u>	1,300	D	\$	112.82	122,140 D
Common Stock	06/19/2007	<u>S(1)</u>	100	D	\$	112.83	122,040 D
Common Stock	06/19/2007	<u>S(1)</u>	100	D	\$	112.84	121,940 D
Common Stock	06/19/2007	<u>S(1)</u>	200	D	\$	112.86	121,740 D
	06/19/2007	<u>S(1)</u>	2,400	D			119,340 D

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Common Stock						\$			
						112.87			
Common Stock	06/19/2007		S <sup>(1)</sup>	1,900	D	\$	112.88	117,440	D
Common Stock	06/19/2007		S <sup>(1)</sup>	100	D	\$	112.89	117,340	D
Common Stock	06/19/2007		S <sup>(1)</sup>	1,100	D	\$	112.9	116,240	D
Common Stock	06/19/2007		S <sup>(1)</sup>	300	D	\$	112.93	115,940	D
Common Stock	06/19/2007		S <sup>(1)</sup>	2,900	D	\$	112.99	113,040	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
Common Stock (Right to Buy)	\$ 17.06 <sup>(3)</sup>	06/19/2007		M <sup>(1)</sup>	5,000 <sup>(2)</sup>	<sup>(6)</sup>	01/28/2009	Common Stock	5,000 <sup>(2)</sup>
Common Stock (Right to Buy)	\$ 17.25 <sup>(5)</sup>	06/19/2007		M <sup>(1)</sup>	52,500 <sup>(4)</sup>	<sup>(7)</sup>	01/24/2012	Common Stock	52,500 <sup>(4)</sup>

## 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

06/20/2007

\_\_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) 60,000 shares subject to a stock option (right to buy) granted on January 26, 1999 ("1999 Option"); and (b) the increase of 60,000 shares subject to the 1999 Option pursuant to the 2-for-1 split of 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 \$17.06 pursuant to the June 2002 Split.
- (3) 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 (b) the increase of 55,000 shares subject to the 2002 Option pursuant to the June 2002 Split.
- (4) 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.
- (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 22, 2003, 2004 and 2005.
- (7)

### Remarks:

This is the first of three Form 4s filed by the reporting person for transactions that occurred on June 19, 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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