

ITT EDUCATIONAL SERVICES INC  
Form 4  
August 13, 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)  
**08/10/2007**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Sr VP, General Counsel & Sec.**

**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)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	08/10/2007		M <sup>(1)</sup>		25,000 <sup>(2)</sup>	A	\$ 17.063 <sup>(3)</sup> 33,304	D
Common Stock	08/10/2007		S <sup>(1)</sup>		400 <sup>(2)</sup>	D	\$ 107.85 32,904	D
Common Stock	08/10/2007		S <sup>(1)</sup>		100 <sup>(2)</sup>	D	\$ 107.8 32,804	D
Common Stock	08/10/2007		S <sup>(1)</sup>		1,300 <sup>(2)</sup>	D	\$ 107.79 31,504	D
	08/10/2007		S <sup>(1)</sup>		100 <sup>(2)</sup>	D	31,404	D

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Common Stock					\$					
					107.78					
Common Stock	08/10/2007	S <sup>(1)</sup>	500 <sup>(2)</sup>	D	\$	30,904	D			
					107.76					
Common Stock	08/10/2007	S <sup>(1)</sup>	164 <sup>(2)</sup>	D	\$	30,740	D			
					107.72					
Common Stock	08/10/2007	S <sup>(1)</sup>	300 <sup>(2)</sup>	D	\$	30,440	D			
					107.71					
Common Stock	08/10/2007	S <sup>(1)</sup>	400 <sup>(2)</sup>	D	\$	30,040	D			
					107.69					
Common Stock	08/10/2007	S <sup>(1)</sup>	390 <sup>(2)</sup>	D	\$	29,650	D			
					107.68					
Common Stock	08/10/2007	S <sup>(1)</sup>	200 <sup>(2)</sup>	D	\$	29,450	D			
					107.66					
Common Stock	08/10/2007	S <sup>(1)</sup>	100 <sup>(2)</sup>	D	\$	29,350	D			
					107.61					
Common Stock	08/10/2007	S <sup>(1)</sup>	700 <sup>(2)</sup>	D	\$	28,650	D			
					107.56					
Common Stock	08/10/2007	S <sup>(1)</sup>	20,346 <sup>(2)</sup>	D	\$	8,304	D			
					107.5					
Common Stock						6,097	I			By Company 401(k)

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	\$ 17.063	08/10/2007		M <sup>(1)</sup>	25,000	<sup>(4)</sup> 01/28/2009	Common	25,000

Option  
(Right to  
Buy)

Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ELWOOD CLARK D 13000 NORTH MERIDIAN STREET CARMEL, IN 46032-1404			Sr VP, General Counsel & Sec.	

## Signatures

Clark D.  
Elwood

08/13/2007

\_\_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
- (2) ("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").
- (3) 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.
- (4) The option vested in three equal installments on January 26, 2000, 2001 and 2002.

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