CHAMPAGNE RENE R

Form 4

January 09, 2007

FORM 4

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

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

response...

10% Owner

Other (specify

OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

Check this box

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

SECURITIES

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading CHAMPAGNE RENE R Issuer Symbol ITT EDUCATIONAL SERVICES (Check all applicable) INC [ESI] (Last) (First) (Middle) 3. Date of Earliest Transaction _X_ Director X_ Officer (give title (Month/Day/Year) below) C/O ITT EDUCATIONAL 01/09/2007 Chairman and CEO SERVICES INC, 13000 NORTH MERIDIAN STREET (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line)

CARMEL, IN 46032-1404

X Form filed by One Reporting Person Form filed by More than One Reporting Person

(City)	(State) ((Zip) Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly 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)			5. Amount of Securities Form: Direct (D) or Owned Indirect (I) Following (Instr. 4) Reported Transaction(s)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	01/09/2007		S <u>(1)</u>	600 (2)	D	\$ 69	65,988 <u>(3)</u>	D	
Common Stock	01/09/2007		S <u>(1)</u>	100 (2)	D	\$ 69.03	65,888 (3)	D	
Common Stock	01/09/2007		S(1)	300 (2)	D	\$ 69.04	65,588 <u>(3)</u>	D	
Common Stock	01/09/2007		S(1)	200 (2)	D	\$ 69.05	65,388 <u>(3)</u>	D	
	01/09/2007		S(1)	400 (2)	D		64,988 (3)	D	

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Common \$ \$ 69.17 \$ Common \$ \$ $\frac{1}{2} = \frac{1}{2} = \frac{1}$

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 on 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)	\$ 10.844	01/09/2007		M <u>(1)</u>	26,800	<u>(4)</u>	01/15/2008	Common Stock	26,800

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
01/09/2007

**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).

Reporting Owners 2

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- (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 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 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 January 9, 2007, or 22,300 shares of ESI common stock that are indirectly owned by the reporting person through a trust.
- (4) The option vested in three equal installments on January 13, 1999, 2000 and 2001.

Remarks:

This is the third of three Form 4s filed by the reporting person for transactions that occurred on January 9, 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. 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.