

ELWOOD CLARK D  
Form 4  
September 14, 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)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Sr VP, Gen Counsel & Secretary

(Last) (First) (Middle)  
C/O ITT EDUCATIONAL SERVICES INC, 13000 NORTH MERIDIAN STREET  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
09/12/2007

CARMEL, IN 46032-1404  
(City) (State) (Zip)

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

**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)
Common Stock	09/12/2007		M <sup>(1)</sup>	A	3,334 (2) \$ 9.719 (3)	D	
Common Stock	09/12/2007		M <sup>(1)</sup>	A	30,000 (4) \$ 17.25 (5)	D	
Common Stock	09/12/2007		M <sup>(1)</sup>	A	10,168 (6) \$ 49.74	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	D	600 \$ 112.61	D	
	09/12/2007		S <sup>(1)</sup>	D	2,800 \$ 112.6	D	

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Common Stock									
Common Stock	09/12/2007		S <sup>(1)</sup>	400	D	\$ 112.59	48,006	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	700	D	\$ 112.56	47,306	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	2,900	D	\$ 112.55	44,406	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	500	D	\$ 112.54	43,906	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	2,100	D	\$ 112.53	41,806	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	1,800	D	\$ 112.52	40,006	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	2,000	D	\$ 112.51	38,006	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	6,100	D	\$ 112.505	31,906	D	
Common Stock	09/12/2007		S <sup>(1)</sup>	23,602	D	\$ 112.5	8,304	D	
Common Stock							6,097	I	By Company 401(k) Plan

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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

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Stock Option (Right to Buy)	\$ 9.719 <u>(3)</u>	09/12/2007	M <sup>(1)</sup>	3,334 <u>(2)</u>	<u>(7)</u>	01/25/2011	Common Stock	3,334
Stock Option (Right to Buy)	\$ 17.25 <u>(5)</u>	09/12/2007	M <sup>(1)</sup>	30,000 <u>(4)</u>	<u>(8)</u>	01/24/2012	Common Stock	30,000
Stock Option (Right to Buy)	\$ 49.74	09/12/2007	M <sup>(1)</sup>	10,168 <u>(6)</u>	<u>(9)</u>	02/02/2012	Common Stock	10,168

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ELWOOD CLARK D C/O ITT EDUCATIONAL SERVICES INC 13000 NORTH MERIDIAN STREET CARMEL, IN 46032-1404			Sr VP, Gen Counsel & Secretary	

## Signatures

Clark D. 09/14/2007  
Elwood

    Signature of                      Date  
Reporting Person

## 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 23, 2001 ("2001 Option"); and (b) the increase of 20,000 shares subject to the 2001 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 \$19.438 for the shares of ESI common stock subject to the 2001 Option, reduced to \$9.719 pursuant to the June 2002 Split.
- (4) Represents the: (a) 15,000 shares subject to a stock option (right to buy) with an effective grant date of January 22, 2002 ("2002 Option"); and (b) the increase of 15,000 shares subject to the 2002 Option pursuant to the June 2002 Split.
- (5) 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.
- (6) Represents a portion of the 20,100 shares subject to a stock option (right to buy) with an effective grant date of February 2, 2005.
- (7) The option vested in three equal installments on January 23, 2002, 2003 and 2004.
- (8) The option vested in three equal installments on January 22, 2003, 2004 and 2005.
- (9) The option vested in one installment on October 24, 2005.

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