ITT EDUCATIONAL SERVICES INC

Form 4 June 01, 2006

FORM 4

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

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Estimated average

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

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

burden hours per response... 0.5

See Instruction 1(b).

(Print or Type Responses)

1. Name and A	Symbol	OUCATIO	a french of fraums	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)				
(Last)	, ,	(Month/	(Month/Day/Year)			X_ Director 10% OwnerX_ Officer (give title Other (specify below)		
13000 NORTH MERIDIAN STREET		06/01/2	2006		Chairman and CEO			
	4. If Am	4. If Amendment, Date Original			6. Individual or Joint/Group Filing(Check			
CARMEL,	Filed(M	onth/Day/Yea	,	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City)	(State)	(Zip) Tal	ole I - Non-	Derivative Securities Acqu	iired, Disposed of	, 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)	Code	4. Securities Acquired (A) onor Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	

(City)	(State)	(Zip) Tabl	le I - Non-I	Derivative	Securi	ities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securit nor Dispos (Instr. 3, 4	sed of (D) 4 and 5) (A)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	06/01/2006		Code V M(1)	Amount 22,500 (2)	(D)	Price \$ 12.125 (3)	(Instr. 3 and 4) 123,688 (4)	D	
Common Stock	06/01/2006		S(1)	100	D	\$ 64.51	123,588 (4)	D	
Common Stock	06/01/2006		S(1)	500	D	\$ 64.53	123,088 (4)	D	
Common Stock	06/01/2006		S(1)	1,700	D	\$ 64.55	121,388 (4)	D	
	06/01/2006		S (1)	500	D	\$ 64.56	120,888 (4)	D	

Common Stock							
Common Stock	06/01/2006	S(1)	100	D	\$ 64.57	120,788 (4)	D
Common Stock	06/01/2006	S(1)	200	D	\$ 64.59	120,588 (4)	D
Common Stock	06/01/2006	S(1)	4,100	D	\$ 64.6	116,488 (4)	D
Common Stock	06/01/2006	S(1)	100	D	\$ 64.61	116,388 (4)	D
Common Stock	06/01/2006	S(1)	100	D	\$ 64.64	116,288 (4)	D
Common Stock	06/01/2006	S(1)	100	D	\$ 64.65	116,188 (4)	D
Common Stock	06/01/2006	S(1)	600	D	\$ 64.67	115,588 (4)	D
Common Stock	06/01/2006	S(1)	1,200	D	\$ 64.68	114,388 (4)	D
Common Stock	06/01/2006	S(1)	2,000	D	\$ 64.69	112,388 (4)	D
Common Stock	06/01/2006	S(1)	400	D	\$ 64.72	111,988 (4)	D
Common Stock	06/01/2006	S(1)	100	D	\$ 64.73	111,888 (4)	D
Common Stock	06/01/2006	S(1)	200	D	\$ 64.8	111,688 (4)	D
Common Stock	06/01/2006	S(1)	500	D	\$ 64.83	111,188 (4)	D
Common Stock	06/01/2006	S(1)	1,900	D	\$ 64.85	109,288 (4)	D
Common Stock	06/01/2006	S(1)	400	D	\$ 64.86	108,888 (4)	D
Common Stock	06/01/2006	S(1)	300	D	\$ 64.89	108,588 (4)	D
Common Stock	06/01/2006	S(1)	500	D	\$ 64.9	108,088 (4)	D
Common Stock	06/01/2006	S(1)	600	D	\$ 64.92	107,488 (4)	D
Common Stock	06/01/2006	S(1)	900	D	\$ 64.95	106,588 (4)	D
	06/01/2006	S(1)	200	D	\$ 65	106,388 (4)	D

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Common Stock						
Common Stock	06/01/2006	S(1)	300	D	\$ 65.06 106,088 <u>(4)</u>	D
Common	06/01/2006	S(1)	4,900	D	\$ 65.15 101,188 <u>(4)</u>	D

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

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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. Transactio Code (Instr. 8)	5. Number of orDerivative 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	\$ 12.125	06/01/2006		M(1)	22,500	<u>(5)</u>	02/12/2007	Common Stock	22,500

Reporting Owners

**Signature of Reporting Person

Reporting Owner Name / Address		Relationships					
. 0	Director	10% Owner	Officer	Other			
CHAMPAGNE RENE R 13000 NORTH MERIDIAN STREET CARMEL,, IN 46032	X		Chairman and CEO				
Signatures							
Clark D. Elwood, Attorney-In-Fact for Champagne	Rene R.		06/01/2006				

Reporting Owners 3

Date

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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 February 1, 2006.
- Represents a portion of the: (a) 45,000 shares subject to a stock option (right to buy) granted on February 10, 1997 ("1997 Option"); and (2) (b) the increase of 45,000 shares subject to the 1997 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 \$24.250 for the shares of ESI common stock subject to the 1997 Option, reduced to \$12.125 pursuant to the June 2002 Split.
- This total does not include 10,801 shares of ESI common stock beneficially owned under the ESI 401(k) Plan on June 1, 2006. Due to an exempt sale of shares by the third-party administrator of the ESI 401(k) Plan to refund an excess contribution to the ESI 401(k) Plan, the number of shares of ESI common stock beneficially owned under the ESI 401(k) Plan is less than previously reported.
- (5) The option vested in three equal installments on February 10, 1998, 1999 and 2000.

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.