

CHAMPAGNE RENE R  
Form 4  
November 10, 2005

**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 \*  
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)  
13000 NORTH MERIDIAN STREET  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/09/2005

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman and CEO

CARMEL,, IN 46032

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

(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	11/09/2005		M		67,500 (1) A \$ 5.973 (2)	168,688 (3)	D
Common Stock	11/09/2005		S		200 D \$ 59.58	168,488 (3)	D
Common Stock	11/09/2005		S		500 D \$ 59.6	167,988 (3)	D
Common Stock	11/09/2005		S		200 D \$ 59.62	167,788 (3)	D
	11/09/2005		S		2,100 D \$ 59.7	165,688 (3)	D

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Common Stock							
Common Stock	11/09/2005	S	100	D	\$ 59.71	165,588 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	600	D	\$ 59.73	164,988 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	100	D	\$ 59.74	164,888 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	1,100	D	\$ 59.75	163,788 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	500	D	\$ 59.77	163,288 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	1,500	D	\$ 59.8	161,788 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	500	D	\$ 59.81	161,288 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	300	D	\$ 59.83	160,988 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	900	D	\$ 59.84	160,088 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	3,600	D	\$ 59.85	156,488 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	500	D	\$ 59.87	155,988 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	3,300	D	\$ 59.88	152,688 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	100	D	\$ 59.89	152,588 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	7,200	D	\$ 59.9	145,388 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	900	D	\$ 59.92	144,488 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	900	D	\$ 59.94	143,588 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	4,700	D	\$ 59.95	138,888 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	300	D	\$ 59.96	138,588 <sup>(3)</sup>	D
Common Stock	11/09/2005	S	200	D	\$ 59.97	138,388 <sup>(3)</sup>	D
	11/09/2005	S	200	D		138,188 <sup>(3)</sup>	D

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Common Stock						\$ 59.98		
Common Stock	11/09/2005		S	400	D	\$ 59.99	137,788 <sup>(3)</sup>	D
Common Stock	11/09/2005		S	100	D	\$ 60	137,688 <sup>(3)</sup>	D
Common Stock	11/09/2005		S	100	D	\$ 60.02	137,588 <sup>(3)</sup>	D
Common Stock	11/09/2005		S	2,700	D	\$ 60.03	134,888 <sup>(3)</sup>	D
Common Stock	11/09/2005		S	100	D	\$ 60.04	134,788 <sup>(3)</sup>	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)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 5.973	11/09/2005		M	67,500	<sup>(4)</sup> 02/14/2006	Common Stock	67,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	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 Rene R.  
Champagne

11/10/2005

\_\_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).  
  
Represents: (a) 15,000 shares subject to a stock option (right to buy) granted on February 12, 1996 ("1996 Option"); (b) the increase of 7,500 shares subject to the 1996 Option pursuant to the 3-for-2 split of the ESI common stock on April 16, 1996 ("April 1996 Split");  
(1) (c) the increase of 11,250 shares subject to the 1996 Option pursuant to the 3-for-2 split of the ESI common stock on November 5, 1996 ("November 1996 Split"); and (d) the increase of 33,750 shares subject to the 1996 Option pursuant to the 2-for-1 split of the ESI common stock on June 6, 2002 ("June 2002 Split").  
  
Represents an original exercise price of \$26.875 for the share of ESI common stock subject to the 1994 Option: (a) reduced to \$17.917  
(2) pursuant to the April 1996 Split; (b) reduced to \$11.945 pursuant to the November 1996 Split; and (c) reduced to \$5.973 pursuant to the June 2002 Split.  
  
This total does not include 10,846 shares of ESI common stock beneficially owned under the ESI 401(k) Plan on November 9, 2005.  
(3) Due to an exempt sale of shares by the 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.  
(4) The option vested in three equal installments on February 12, 1997, 1998 and 1999.

### Remarks:

This is the first of two Form 4s filed by the Reporting Person for transactions that occurred on November 9, 2005. Due to soft

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