

TANNER GLENN E
Form 4
June 19, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
TANNER GLENN E

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)
06/18/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior VP, Marketing

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 06/18/2007 | | M ⁽¹⁾ | A | 8,000 (2) | \$ 9.719 (3) | 8,000 D |
| Common Stock | 06/18/2007 | | M ⁽¹⁾ | A | 6,000 (4) | \$ 17.25 (5) | 14,000 D |
| Common Stock | 06/18/2007 | | S ⁽¹⁾ | D | 100 | \$ 112.55 | 13,900 D |
| Common Stock | 06/18/2007 | | S ⁽¹⁾ | D | 200 | \$ 112.58 | 13,700 D |
| Common Stock | 06/18/2007 | | S ⁽¹⁾ | D | 100 | \$ 112.59 | 13,600 D |

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| | | | | | | | |
|--------------|------------|-------------|-------|---|-----------|--------|---|
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.6 | 13,400 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 500 | D | \$ 112.61 | 12,900 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.63 | 12,700 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 400 | D | \$ 112.65 | 12,300 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 100 | D | \$ 112.68 | 12,200 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 300 | D | \$ 112.69 | 11,900 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 400 | D | \$ 112.71 | 11,500 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.72 | 11,300 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 300 | D | \$ 112.73 | 11,000 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.74 | 10,800 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 300 | D | \$ 112.75 | 10,500 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 100 | D | \$ 112.77 | 10,400 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.78 | 10,200 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.79 | 10,000 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.8 | 9,800 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 200 | D | \$ 112.81 | 9,600 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 100 | D | \$ 112.82 | 9,500 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 1,800 | D | \$ 112.83 | 7,700 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 300 | D | \$ 112.85 | 7,400 | D |
| Common Stock | 06/18/2007 | <u>S(1)</u> | 400 | D | \$ 112.86 | 7,000 | D |
| | 06/18/2007 | <u>S(1)</u> | 300 | D | | 6,700 | D |

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| | | | | | | | | |
|--------------|------------|--|------------------|-----|---|-----------|-------|---|
| Common Stock | | | | | | \$ 112.87 | | |
| Common Stock | 06/18/2007 | | S ⁽¹⁾ | 200 | D | \$ 112.88 | 6,500 | D |
| Common Stock | 06/18/2007 | | S ⁽¹⁾ | 100 | D | \$ 112.93 | 6,400 | D |
| Common Stock | 06/18/2007 | | S ⁽¹⁾ | 200 | D | \$ 113.05 | 6,200 | D |
| Common Stock | 06/18/2007 | | S ⁽¹⁾ | 100 | D | \$ 113.06 | 6,100 | D |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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. Transaction Code (Instr. 8) | 5. Number of Derivative Securities (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 |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|-------------------------------|
| Common Stock | \$ 9.719 ⁽³⁾ | 06/18/2007 | | M ⁽¹⁾ | 8,000 ⁽²⁾ | ⁽⁶⁾ 01/25/2011 | Common Stock | 8,000 ⁽²⁾ |
| Common Stock | \$ 17.25 ⁽⁵⁾ | 06/18/2007 | | M ⁽¹⁾ | 6,000 ⁽⁴⁾ | ⁽⁷⁾ 01/24/2012 | Common Stock | 6,000 ⁽⁴⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| TANNER GLENN E 13000 NORTH MERIDIAN STREET CARMEL, IN 46032 | | | Senior VP, Marketing | |

Signatures

Christine G. Long, Attorney-In-Fact for Glenn E.
Tanner

06/19/2007

__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 15, 2007.
 - (2) Represents the: (a) 4,000 shares subject to a stock option (right to buy) granted on January 23, 2001 ("2001 Option"); and (b) the increase of 4,000 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) 3,000 shares subject to a stock option (right to buy) granted on January 22, 2002 ("2002 Option"); and (b) the increase of 3,000 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) The option vested in three equal installments on January 23, 2002, 2003 and 2004.
 - (7) The option vested in three equal installments on January 22, 2003, 2004 and 2005.

Remarks:

Power of Attorney is attached hereto as exhibit 24.

This is the first of two Form 4s filed by the reporting person for transactions that occurred on June 18, 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.