

ITT EDUCATIONAL SERVICES INC  
Form 4  
March 24, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
FOWLER JAMES 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)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
03/23/2006

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

19087 BOYER FIELDS PLACE

(Street)

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

LEESBURG,, VA 20176

(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) Code V Amount Price			
Common Stock	03/23/2006		M <sup>(1)</sup>	500 <sup>(2)</sup> A \$ 8.032 <sup>(3)</sup>	8,000	D	
Common Stock	03/23/2006		M <sup>(1)</sup>	200 <sup>(4)</sup> A \$ 10.438 <sup>(5)</sup>	8,200	D	
Common Stock	03/23/2006		S <sup>(1)</sup>	700 D \$ 65	7,500	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)

displays a currently valid OMB control number.

**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. F. Derivative Securities (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)
Stock Option (Right to Buy)	\$ 8.032	03/23/2006		M <sup>(1)</sup>	500	05/24/2001 05/24/2010		Common Stock	500
Stock Option (Right to Buy)	\$ 10.438	03/23/2006		M <sup>(1)</sup>	200	08/11/1999 08/11/2009		Common Stock	200

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FOWLER JAMES D 19087 BOYER FIELDS PLACE LEESBURG,, VA 20176		X		

## Signatures

Clark D. Elwood, Attorney-In-Fact for James D. Fowler, Jr. 03/24/2006

\_\_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 February 1, 2006.
- (2) Represents a portion of the: (a) 2,000 shares subject to a stock option (right to buy) granted on May 24, 2000 ("2000 Option"); and (b) the increase of 2,000 shares subject to the 2000 Option pursuant to the 2-for-1 split of the ESI common stock on June 6, 2002 ("June 2002

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Split").

- (3) Represents an original exercise price of \$16.063 for the shares of ESI common stock subject to the 2000 Option, reduced to \$8.032 pursuant to the June 2002 Split.
- (4) Represents a portion of the: (a) 10,000 shares subject to a stock option (right to buy) granted on August 11, 1999 ("1999 Option"); and (b) the increase of 10,000 shares subject to the 1999 Option pursuant to the June 2002 Split.
- (5) Represents an original exercise price of \$20.875 for the shares of ESI common stock subject to the 1999 Option, reduced to \$10.438 pursuant to the June 2002 Split.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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