

MODANY KEVIN M  
Form 4  
January 31, 2012

**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 \*  
MODANY KEVIN M

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)  
01/27/2012

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

C/O ITT EDUCATIONAL SERVICES INC, 13000 NORTH MERIDIAN STREET

(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

CARMEL, IN 46032-1404

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/27/2012		M <sup>(1)</sup>		11,354	A	0.00
Common Stock	01/27/2012		D <sup>(1)</sup>		11,354	D	\$ 62.79
Common Stock	01/30/2012		M <sup>(2)</sup>		10,500 <sup>(3)</sup>	A	\$ 49.74
Common Stock	01/30/2012		S <sup>(2)</sup>		10,500 <sup>(4)</sup>	D	\$ 64.5015 <sup>(4)</sup>

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Common Stock	01/30/2012	M <sup>(2)</sup>	<u>2,000</u> (3)	A	\$ 49.74	20,249	D	
Common Stock	01/30/2012	S <sup>(2)</sup>	<u>2,000</u> (5)	D	\$ 65.0047 (5)	18,249	D	
Common Stock	01/30/2012	M <sup>(2)</sup>	<u>1,069</u> (3)	A	\$ 49.74	19,318	D	
Common Stock	01/30/2012	S <sup>(2)</sup>	<u>1,069</u> (6)	D	\$ 66.1349 (6)	18,249	D	
Common Stock						228	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Restricted Stock Units	Ⓛ	01/27/2012		M <sup>(1)</sup>	11,354	01/27/2012	01/27/2012	Common Stock	11,354
Employee Stock Option (Right to Buy)	\$ 49.74	01/30/2012		M <sup>(2)</sup>	<u>13,569</u> (3)	10/24/2005	02/02/2012	Common Stock	<u>13,569</u> (3)

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director   10% Owner   Officer   Other

MODANY KEVIN M  
C/O ITT EDUCATIONAL SERVICES INC  
13000 NORTH MERIDIAN STREET  
CARMEL, IN 46032-1404

X

CEO

## Signatures

Christine G. Long, Attorney-In-Fact for Kevin M.  
Modany

01/31/2012

\_\_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) This transaction relates to the settlement of certain restricted stock units awarded to the reporting person on January 27, 2011. Each restricted stock unit was the economic equivalent to one share of Company common stock. Each of these restricted stock units was settled in cash in an amount equal to the average of the closing market prices of the Company's common stock over the 20 trading days prior to the settlement date of January 27, 2012.

(2) This transaction was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 8, 2011.

(3) Represents a portion of the 22,400 shares subject to a stock option (right to buy) with an effective grant date of February 2, 2005.

(4) This transaction was executed in multiple trades at prices ranging from \$63.9087 to \$64.90. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the Securities and Exchange Commission staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price.

(5) This transaction was executed in multiple trades at prices ranging from \$64.91 to \$65.54. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the Securities and Exchange Commission staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price.

(6) This transaction was executed in multiple trades at prices ranging from \$65.92 to \$66.31. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the Securities and Exchange Commission staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price.

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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