

ITT EDUCATIONAL SERVICES INC
 Form 4
 November 08, 2006

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

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 *
 BLUM CAPITAL PARTNERS LP

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)
 909 MONTGOMERY STREET, SUITE 400
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/06/2006

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

SAN FRANCISCO, CA 94133

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	Price	
Common Stock	11/06/2006		S		235,000	\$ 68.85	D (1) (9)
Common Stock	11/06/2006		S		167,900	\$ 68.85	D (2) (9)
Common Stock	11/06/2006		S		270,300	\$ 68.85	D (3) (9)
Common Stock	11/06/2006		S		70,900	\$ 68.85	D (4) (9)
Common Stock	11/06/2006		S		70,100	\$ 68.85	D (5) (9)

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Common Stock	11/06/2006	S	150,400	D	\$ 68.85	193,300	D ⁽⁶⁾ ₍₉₎	
Common Stock	11/06/2006	S	78,100	D	\$ 68.85	100,400	D ⁽⁷⁾ ₍₉₎	
Common Stock	11/06/2006	S	19,800	D	\$ 68.85	25,385	D ⁽⁸⁾ ₍₉₎	
Common Stock	11/06/2006	S	1,351,400	D	\$ 68.85	1,736,040	D ⁽¹⁰⁾	
Common Stock	11/06/2006	S	27,900	D	\$ 68.85	35,760	D ⁽¹¹⁾	
Common Stock	11/06/2006	S	472,800	D	\$ 68.85	607,500	D ⁽¹²⁾	
Common Stock	11/06/2006	S	23,600	D	\$ 68.85	30,300	D ⁽¹³⁾	
Common Stock	11/06/2006	S	30,900	D	\$ 68.85	39,800	I ⁽¹⁴⁾	Indirect ⁽¹⁴⁾
Common Stock	11/06/2006	S	30,900	D	\$ 68.85	39,800	I ⁽¹⁵⁾	Indirect ⁽¹⁵⁾
Common Stock						1,054	D ⁽¹⁶⁾	

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. 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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BLUM CAPITAL PARTNERS LP 909 MONTGOMERY STREET SUITE 400 SAN FRANCISCO, CA 94133		X		
RICHARD C BLUM & ASSOCIATES INC 909 MONTGOMERY STREET SUITE 400 SAN FRANCISCO, CA 94133		X		
BLUM STRATEGIC GP II LLC 909 MONTGOMERY STREET SUITE 400 SAN FRANCISCO, CA 94133		X		
Blum Strategic GP III, L.L.C. 909 MONTGOMERY STREET SUITE 400 SAN FRANCISCO, CA 94133		X		
Saddlepoint Partners GP, L.L.C. 909 MONTGOMERY STREET SUITE 400 SAN FRANCISCO, CA 94133		X		

Signatures

/s/ See Attached
Signature Page

11/08/2006

__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) These shares are owned directly by Stinson Capital Partners, L.P.
- (2) These shares are owned directly by Stinson Capital Partners II, L.P.
- (3) These shares are owned directly by Stinson Capital Partners (QP), L.P.
- (4) These shares are owned directly by BK Capital Partners IV, L.P.
- (5) These shares are owned directly by the Stinson Capital Partners A, L.P.
- (6) These shares are owned directly by the Stinson Capital Partners D, L.P.
- (7) These shares are owned directly by the Stinson Capital Partners M, L.P.
- (8) These shares are owned directly by Stinson Capital Fund (Cayman), Ltd.
- (9) These shares may be deemed to be owned indirectly by the following parties: (i) Blum Capital Partners L.P. ("Blum LP"), an investment manager with voting and investment discretion for the investment advisory account described in Note (8), and the general partner of the limited partnerships described in Notes (1), (2), (3), (4), (5), (6) and (7); and (ii) Richard C. Blum & Associates, Inc. ("RCBA Inc."), the general partner of Blum LP. Blum LP and RCBA Inc. disclaim beneficial ownership in these shares, except to the extent of any

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pecuniary interest therein.

(10) These shares are owned directly by Blum Strategic Partners II, L.P. ("Strategic II"). The shares also may be deemed to be owned indirectly by Blum Strategic GP II, L.L.C. ("Blum GP II"), the general partner of Strategic II. Blum GP II disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(11) These shares are owned directly by Blum Strategic Partners II GmbH & Co. KG ("Strategic II KG"). The shares also may be deemed to be owned indirectly by Blum GP II, the managing limited partner of Strategic II KG. Blum GP II disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(12) These shares are owned directly by Blum Strategic Partners III, L.P. ("Strategic III"). The shares also may be deemed to be owned indirectly by (i) Blum Strategic GP III, L.P. ("Blum GP III LP"), the general partner of Strategic III, and (ii) Blum Strategic GP III, L.L.C. ("Blum GP III"), the general partner of Blum GP III LP. Both Blum GP III LP and Blum GP III disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(13) These shares are owned directly by Saddlepoint Partners (Cayman), L.P. ("Saddlepoint"). The shares also may be deemed to be owned indirectly by (i) Saddlepoint Partners GP, L.L.C. ("Saddlepoint GP"), the general partner of Saddlepoint; (ii) Blum LP, the managing member of Saddlepoint GP; and (iii) RCBA Inc., the general partner of Blum LP. Saddlepoint GP, Blum LP and RCBA Inc. disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(14) These shares are owned directly by the Virginia Electric and Power Company Qualified Nuclear Decommissioning Trust ("Virginia Electric"). Virginia Electric disclaims membership in a group with any of the Reporting Persons and therefore is not subject to Section 16. Blum LP, a registered investment advisor, has voting and investment discretion with respect to the shares owned by Virginia Electric, but no Reporting Person has a reportable pecuniary interest in any of the shares owned by Virginia Electric.

(15) These shares are owned directly by The Nuclear Decommissioning Trust of Dominion Nuclear Connecticut, Inc. ("Dominion Connecticut"). Dominion Connecticut disclaims membership in a group with any of the Reporting Persons and therefore is not subject to Section 16. Blum LP, a registered investment advisor, has voting and investment discretion with respect to the shares owned by Dominion Connecticut, but no Reporting Person has a reportable pecuniary interest in any of the shares owned by Dominion Connecticut.

(16) These shares are directly owned by Blum LP. They may be deemed to be owned indirectly by RCBA Inc., as described in Note (9). RCBA Inc. disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

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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