

ITT EDUCATIONAL SERVICES INC  
 Form 4  
 January 04, 2011

**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 \*  
 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)  
 12/31/2010

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

SAN FRANCISCO, CA 94133

(City) (State) (Zip)

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

**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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock						D	(1) (7)
Common Stock						D	(3) (7)
Common Stock						D	(4) (7)
Common Stock						D	(5) (7)
Common Stock						D	(6) (7)

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Common Stock						1,623,488	D <u>(8)</u>
Common Stock						1,662,125	D <u>(9)</u>
Common Stock	12/31/2010		J <u>(11)</u>	1,622	D	\$ 0 41,172	D <u>(2)</u> <u>(7)</u>
Common Stock	12/31/2010		J <u>(10)</u>	3,745	D	\$ 0 16,906	D <u>(10)</u>
Common Stock	12/31/2010		J <u>(10)</u>	16,906	D	\$ 0 0	D <u>(10)</u>

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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				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		X		

SAN FRANCISCO, CA 94133

Blum Strategic GP III, L.L.C.  
909 MONTGOMERY STREET  
SUITE 400 X  
SAN FRANCISCO, CA 94133

Blum Strategic GP IV, L.L.C.  
909 MONTGOMERY STREET  
SUITE 400 X  
SAN FRANCISCO, CA 94133

Saddlepoint Partners GP, L.L.C.  
909 MONTGOMERY STREET  
SUITE 400 X  
SAN FRANCISCO, CA 94133

## Signatures

See Attached  
Signature Page 01/04/2011

\*\*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 Blum Capital Partners, L.P. ("Blum LP"). They may be deemed to be owned indirectly by RCBA Inc., as described in Note (7). RCBA Inc. disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.
  - (2) These shares are owned directly by BK Capital Partners IV, L.P.
  - (3) These shares are owned directly by Stinson Capital Partners, L.P.
  - (4) These shares are owned directly by Stinson Capital Partners C, L.P.
  - (5) These shares are owned directly by Stinson Capital Partners L, L.P.
  - (6) These shares are owned directly by Stinson Capital Partners (QP), L.P.
- These shares may be deemed to be owned indirectly by the following parties: (i) Blum Capital Partners, L.P. ("Blum LP"), the general partner of the limited partnerships described in Notes (2), (3), (4), (5) and (6); and (ii) Richard C. Blum & Associates, Inc. ("RCBA Inc."), the general partner of Blum LP. Blum LP and RCBA Inc. disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.
- (7) 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.
  - (8) These shares are owned directly by Blum Strategic Partners IV, L.P. ("Strategic IV"). The shares also may be deemed to be owned indirectly by (i) Blum Strategic GP IV, L.P. ("Blum GP IV LP"), the general partner of Strategic IV, and (ii) Blum Strategic GP IV, L.L.C. ("Blum GP IV"), the general partner of Blum GP IV LP. Both Blum GP IV LP and Blum GP IV disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.
  - (9) These shares were owned directly by Saddlepoint Equity, L.L.C. ("Saddlepoint Equity"). The shares also may have been deemed to be owned indirectly by (i) Saddlepoint Partners GP, L.L.C. ("Saddlepoint GP"), the managing member of Saddlepoint Equity; (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. disclaimed beneficial ownership of these shares, except to the extent of any pecuniary interest therein. On December 31, 2010, Saddlepoint Equity distributed all of its shares to its members in a pro rata liquidating distribution. Saddlepoint GP received 16,906 shares in the distribution and distributed those shares to Blum LP, which now is the direct owner of the shares.
  - (10)

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- (11) On December 31, 2010, the Reporting Persons distributed, on a pro rata basis, 1,622 shares of Common Stock to a limited partner in one of the limited partnerships for which Blum LP serves as the general partner.

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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