

LIPSCOMB JEFFREY L
 Form 4
 October 23, 2006

FORM 4

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

OMB APPROVAL

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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 *
 LIPSCOMB JEFFREY L

(Last) (First) (Middle)
 701 B STREET, SUITE 1500
 (Street)

SAN DIEGO, CA 92101

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 ITLA CAPITAL CORP [ITLA]

3. Date of Earliest Transaction
 (Month/Day/Year)
 10/19/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V | Amount (A) or (D) Price | | |
| Common Stock | 10/19/2006 | | | M | 1,000 A \$ 14.25 | 1,000 | D |
| Common Stock | 10/19/2006 | | | S | 1,000 D \$ 54.75 | 0 | D |
| Common Stock | | | | | | 600 | I SEP |

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

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SEC 1474
 (9-02)

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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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option | \$ 14.25 | 10/19/2006 | | M | 1,000 | 12/10/1997 12/10/2006 | Common Stock | 1,000 |
| Stock Option | \$ 52.14 | | | | | 11/10/2006 11/10/2015 | Common Stock | 1,000 |
| Stock Option | \$ 18 | | | | | 02/02/1999 02/02/2008 | Common Stock | 1,000 |
| Stock Option | \$ 14 | | | | | 01/30/2000 01/30/2009 | Common Stock | 1,000 |
| Stock Option | \$ 11 | | | | | 03/03/2001 03/03/2010 | Common Stock | 1,000 |
| Stock Option | \$ 14.7 | | | | | 11/06/2001 11/06/2010 | Common Stock | 1,000 |
| Stock Option | \$ 48.46 | | | | | 12/19/2006 12/19/2015 | Common Stock | 1,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| LIPSCOMB JEFFREY L 701 B STREET SUITE 1500 SAN DIEGO, CA 92101 | X | | | |

Signatures

/s/Jeffrey L.
Lipscomb

10/23/2006

**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).

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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