#### ALLIANCE DATA SYSTEMS CORP

Form 4

December 18, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

Expires:

January 31, 2005

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Estimated average burden hours per

**OMB APPROVAL** 

response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \* UTAY ALAN M

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

ALLIANCE DATA SYSTEMS CORP [ADS]

(Check all applicable)

10% Owner

(Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year)

Other (specify \_X\_\_ Officer (give title below)

17655 WATERVIEW PARKWAY

(Street)

12/14/2006

EVP, CAO, Gen. Counsel, Secy 6. Individual or Joint/Group Filing(Check

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

Applicable Line)

Director

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

DALLAS, TX 75252-8012

(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. Transactio Code (Instr. 8)	4. Securities Acquired on(A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)			
Common Stock	12/14/2006		S	358	D	\$ 65.53	38,148	D		
Common Stock	12/14/2006		S	300	D	\$ 65.46	37,848	D		
Common Stock	12/14/2006		S	100	D	\$ 65.49	37,748	D		
Common Stock	12/14/2006		S	200	D	\$ 65.41	37,548	D		
Common Stock	12/14/2006		S	100	D	\$ 65.39	37,448 <u>(1)</u>	D		

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

> 9. Nu Deriv Secur Bene Own Follo Repo Trans

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

	1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	isable and	7. Titl	e and	8. Price of	9
	Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration Da	ate	Amou	int of	Derivative	J
	Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	,
	(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative			Securities	(Instr. 5)	]	
		Derivative			Securities				(Instr.	3 and 4)		(
,		Security				Acquired						]
						(A) or						J
						Disposed						-
						of (D)						(
						(Instr. 3,						
						4, and 5)						
										Amount		
						Date	Expiration		or			
							Exercisable	Date		Number		
				G 1 17	(A) (B)				of			
					Code V	(A) (D)				Shares		

# **Reporting Owners**

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

UTAY ALAN M EVP, CAO, 17655 WATERVIEW PARKWAY Gen. Counsel, DALLAS, TX 75252-8012 Secy

**Signatures** 

Leigh Ann K. Epperson, Attorney in Fact 12/18/2006

\*\*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).

The total number of securities beneficially owned includes: (a) 1,058 shares acquired through the Company employee stock purchase plan; (b) 6,592 shares acquired by the exercising of vested employee stock options; (c) 3,332 out of an original 4,972 shares of time-based

(1) restricted stock granted 2/3/05, of which 0 shares are vested; (d) 12,584 out of an original 17,778 shares of time-based restricted stock granted 2/3/05, of which 6,658 shares are vested; (e) 6,941 performance-based restricted stock units granted 2/13/06, of which 0 shares are vested; and (f) 6,941 time-based restricted stock units granted 2/13/06, of which 0 shares are vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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