

ALLIANCE DATA SYSTEMS CORP
 Form 4
 April 26, 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 *
 PARKS J MICHAEL

2. Issuer Name and Ticker or Trading Symbol
 ALLIANCE DATA SYSTEMS CORP [ADS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 04/24/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman, CEO & President

17655 WATERVIEW PARKWAY
 (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

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. 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 or Price		
Common Stock	04/24/2006		M		30,300 A \$ 9	222,389	D
Common Stock	04/24/2006		S		12,000 D \$ 54.5486	210,389	D
Common Stock	04/24/2006		S		5,000 D \$ 54.797	205,389	D
Common Stock	04/24/2006		S		13,300 D \$ 55.5423	192,089	D
Common Stock	04/25/2006		M		30,000 A \$ 9	222,089	D

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Common Stock	04/25/2006	S	4,000	D	\$ 54.5253	218,089	D
Common Stock	04/25/2006	S	26,000	D	\$ 54.46	192,089 ⁽¹⁾	D

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option (Right to Buy)	\$ 9	04/24/2006		M	30,300	⁽²⁾ 03/09/2007	Common Stock	30,300	
Employee Stock Option (Right to Buy)	\$ 9	04/25/2006		M	30,000	⁽²⁾ 03/09/2007	Common Stock	30,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PARKS J MICHAEL 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	X		Chairman, CEO & President	

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

04/26/2006

__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) The total number of securities beneficially owned includes: (a) 868 out of an original 120,000 shares of restricted stock granted 9/1/00 which are fully vested; (b) 1,860 shares purchased in the open market; (c) 18,661 shares of performance-based restricted stock granted 6/24/03 which are fully vested; (d) 57,146 shares acquired by the exercising of vested employee stock options; (e) 5,740 out of an original 35,740 shares of performance-based restricted stock granted 2/2/04 which are fully vested; (f) 15,156 out of an original 23,849 shares of performance-based restricted stock granted 2/3/05, which are fully vested; (g) 19,263 out of an original 21,105 shares of time-based restricted stock granted 2/3/05, of which 5,122 shares are vested; (h) 19,283 out of an original 22,222 shares of time-based restricted stock granted 2/3/05, of which 8,172 shares are vested; (i) 27,056 performance-based restricted stock units granted 2/13/06, of which 0 shares are vested; (continued below)

(2) This is an employee stock option grant that is fully vested.

The total number of derivative securities beneficially owned includes: (a) an option for 67,477 out of an original 177,777 shares granted 3/10/97, which is fully vested; (b) an option for 63,131 out of an original 83,333 shares granted 5/7/99, which is fully vested; (c) an option for 230,000 shares granted 9/1/00, which is fully vested; (d) an option for 109,388 shares granted 6/8/01, which is fully vested; (e) an option for 106,203 shares granted 6/24/03, of which 70,094 shares are fully vested and 36,109 shares will vest on 6/23/06; (f) an option for 129,291 shares granted 2/2/04, of which 85,332 shares are fully vested and 43,959 shares will vest on 2/2/07; (g) an option for 58,626 shares granted 2/3/05, of which 19,346 shares vested on 2/3/06, 19,346 shares will vest on 2/3/07 and 19,934 shares will vest on 2/3/08; (continued below)

Remarks:

(1) Continued from above: and (j) 27,056 time-based restricted stock units granted 2/13/06, of which 0 shares are vested.

3) Continued from above: and (h) an option for 64,572 shares granted 2/13/06, of which 21,308 shares will vest on 2/13/07, 2

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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