ALLIANCE DATA SYSTEMS CORP

Form 4

February 20, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

3235-0287 Number:

January 31, Expires: 2005

10% Owner

Other (specify

Estimated average burden hours per

response... 0.5

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

Check this box

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person * **TUCKER DWAYNE H**

2. Issuer Name and Ticker or Trading

Symbol

ALLIANCE DATA SYSTEMS CORP [ADS]

Issuer

5. Relationship of Reporting Person(s) to

(Check all applicable)

(Last) (First) (Middle)

17655 WATERVIEW PARKWAY

(Street)

(State)

(Zip)

3. Date of Earliest Transaction

(Month/Day/Year)

02/15/2007

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

X_ Officer (give title below) EVP, President Transaction Svc

6. Individual or Joint/Group Filing(Check Applicable Line)

Desirative Consuiting Assured Disposed of an Panaficially O

Director

X Form filed by One Reporting Person Form filed by More than One Reporting Person

DALLAS, TX 75252-8012

(City)

(City)	(State)	Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned								
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. 4. Securities Acquired Transaction(A) or Disposed of (D)				5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect	
(Instr. 3)		any (Month/Day/Year)	Code (Instr. 8)	(Instr. 3, 4 and 5)			Beneficially Owned	(D) or Indirect (I)	Beneficial Ownership	
		(Wolldin Day, Tear)	(msu. o)				Following	(Instr. 4)	(Instr. 4)	
				(A) or			Reported Transaction(s)			
			Code V	Amount	(D)	Price	(Instr. 3 and 4)			
Common Stock	02/15/2007		S	6,031	D	\$ 62.99	33,691	D		
Common Stock	02/16/2007		A <u>(1)</u>	9,098	A	(1)	42,789	D		
Common Stock	02/16/2007		F(2)	4,814	D	\$ 62.87	37,975	D		

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

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number.

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 Exer	cisable and	7. Tit.	le and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	TransactionNumber		Expiration D	ate	Amou	unt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	/Year)	Unde	rlying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Secur	rities	(Instr. 5)	Bene
	Derivative				Securities	S		(Instr	. 3 and 4)		Own
	Security				Acquired						Follo
	-				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration		or		
					Exercisable	-	Title Number				
									of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

TUCKER DWAYNE H 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012

EVP, President Transaction Svc

Signatures

Leigh Ann K. Epperson, Attorney in Fact

02/20/2007

**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) Based on the Company's cash EPS growth as compared to the GAAP EPS growth of the S&P 500, 200% of the performance-based restricted stock unit award granted on 2/13/06 vested, resulting in an additional 9,098 shares, for a total of 18,196 shares
- (2) 4,814 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units

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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