

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>SCULLION JOHN W</u> (Last) (First) (Middle) <u>17655 WATERVIEW PARKWAY</u> (Street) <u>DALLAS TX 75252-8012</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALLIANCE DATA SYSTEMS CORP [ADS]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President and COO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>10/23/2006</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/23/2006		s ⁽¹⁾		633	D	\$59.56	49,637	D	
Common Stock	10/23/2006		s ⁽¹⁾		800	D	\$59.58	48,837	D	
Common Stock	10/23/2006		s ⁽¹⁾		3,200	D	\$59.59	45,637	D	
Common Stock	10/23/2006		s ⁽¹⁾		5,500	D	\$59.6	40,137	D	
Common Stock	10/23/2006		s ⁽¹⁾		2,400	D	\$59.61	37,737	D	
Common Stock	10/23/2006		s ⁽¹⁾		1,400	D	\$59.62	36,337 ⁽²⁾	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
						Date Exercisable	Expiration Date					

Explanation of Responses:

- The sale of these shares was omitted from the reporting person's original Form 4 filed on 10/25/06, and also is not reflected in the Forms 4 filed by the reporting person after his original Form 4 was filed on 10/25/06.
- As of 10/23/06, the total number of securities beneficially owned included: (a) 5,035 out of an original 7,514 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; (b) 5,926 out of an original 8,889 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; (c) 12,688 performance-based restricted stock units granted 2/13/06, of which 0 shares are vested; and (d) 12,688 time-based restricted stock units granted 2/13/06, of which 0 shares are vested.

Remarks:

Leigh Ann K. Epperson, 06/26/2007
Attorney in Fact
 ** Signature of Reporting Person Date

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

* 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.

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 Number.