

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
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person * <u>PARKS J MICHAEL</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) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman and CEO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/21/2007</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	
		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	02/21/2007		A ⁽¹⁾		17,601	A	(1)	128,985	D	
Common Stock	02/21/2007		A ⁽²⁾		17,601	A	(2)	146,586 ⁽³⁾	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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$63.35	02/21/2007		A ⁽⁴⁾		41,408		(4)	02/21/2017	Common Stock	41,408	(4)	802,619 ⁽⁵⁾	D	

Explanation of Responses:

- The new grant is for 17,601 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the restrictions lapse. The restrictions may lapse based on the Company's cash earnings per share growth for 2007.
- The new grant is for 17,601 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 5,808 shares on each of 2/21/08 and 2/21/09, and on 5,985 shares on 2/21/10.
- The total amount of securities beneficially owned includes: (a) 1,860 shares purchased in the open market; (b) 2,415 shares acquired by the exercising of vested employee stock options; (c) 15,156 out of an original 23,849 shares of performance-based restricted stock granted 2/3/05, which are fully vested; (d) 17,420 out of an original 21,105 shares of time-based restricted stock granted 2/3/05, of which 10,244 shares are vested; (e) 16,344 out of an original 22,222 shares of time-based restricted stock granted 2/3/05, which are fully vested; (f) 34,388 out of an original 54,112 performance-based restricted stock units granted 2/13/06, which are fully vested; (g) 23,801 out of an original 27,056 time-based restricted stock units granted 2/13/06, of which 5,673 shares are vested; (h) the new grant for 17,601 performance-based restricted stock units; and (i) the new grant for 17,601 time-based restricted stock units.
- The new option is for 41,408 shares, of which 13,664 shares will vest on 2/21/08, 13,665 shares will vest on 2/21/09 and 14,079 shares will vest on 2/21/10.
- The total number of derivative securities beneficially owned includes: (a) an option for 63,131 out of an original 83,333 shares granted 5/7/99, which is fully vested; (b) an option for 230,000 shares granted 9/1/00, which is fully vested; (c) an option for 109,388 shares granted 6/8/01, which is fully vested; (d) an option for 106,203 shares granted 6/24/03, which is fully vested; (e) an option for 129,291 shares granted 2/2/04, which is fully vested; (f) an option for 58,626 shares granted 2/3/05, of which 38,692 shares are fully vested and 19,934 shares will vest on 2/3/08; (g) an option for 64,572 shares granted 2/13/06, of which 21,308 shares vested on 2/13/07, 21,309 shares will vest on 2/13/08 and 21,955 shares will vest on 2/13/09; and (h) the new option for 41,408 shares.

Remarks:

Leigh Ann K. Epperson, 02/23/2007
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.