FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

	OMB APPROVAL									
1	OMB Number	3235-02								

287 Estimated average burden hours per response: 0.5

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

								., 00											
Name and Address of Reporting Person* <u>UTAY ALAN M</u>						2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP								5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner					
-					- AL	ADS]								X		(give title		Other (specify
(Last)	ast) (First) (Middle)						3. Date of Earliest Transaction (Month/Day/Year)								below)		n Co	below)	CV
17655 WATERVIEW PARKWAY					04/	04/24/2006									EVF,	CAO, Ge	II. CC	Julisel, Se	Ly
(Street)						4. If Amendment, Date of Original Filed (Month/Day/Year)								6. Individual or Joint/Group Filing (Check Applicable Line)					
	DALLAS TX 75252-8012													X	Form filed by One Reporting Person				on
															Form filed by More than One Reporting Person				
(City)	(S	tate)	(Zip)																
		Tab	le I - No	on-Deriv	/ative	Sec	urit	ies Ac	quired	l, Di	sposed c	of, or Be	nefic	ially	Owned	l			
1. Title of Security (Instr. 3) 2. Transar Date (Month/Da					Execution Date,		n Date,	Transaction Disposed Code (Instr.			ies Acquired (A) or Of (D) (Instr. 3, 4 and			Beneficially Owned Followin		Form (D) o	n: Direct or Indirect nstr. 4)	7. Nature of Indirect Beneficial Ownership	
			Code	v			Amount	(A) or (D)	Price			ed ction(s) 3 and 4)			(Instr. 4)				
Common	Stock			04/24/	2006	2006					2,128	D	\$54.	54.7475		1,644		D	
Common Stock 04/25/					2006				S		6,780	D	\$5	5.13	44	1,864		D	
Common Stock 04/25/2						2006					1,802	D	\$55	55.48 43		3,062		D	
Common Stock 04/25/20						2006					6,818	A	\$14.665		49	9,880		D	
		Т	able II								posed of				wned				
	I.					cans	_	_	•		converti			- -					T
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deen Execution if any (Month/E	on Date,	4. Transa Code (8)		ion of		6. Date Exercis Expiration Dat (Month/Day/Ye		te	7. Title and Amount of Securities Underlying Derivative Secu (Instr. 3 and 4)		D S (I	d. Price of Derivative Security Instr. 5)	9. Number derivative Securities Beneficial Owned Following Reported Transactio (Instr. 4)	e s ally g	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)
					Code	v	(A)	(D)	Date Exercisa	able	Expiration Date	Title	Amou or Numb of Share	er					
Employee Stock Option (Right to	\$14.665	04/25/2006			M ⁽¹⁾			6,818	(2)		09/25/2012	Common Stock	6,81	.8	(2)	141,85	0	D	

Explanation of Responses:

- 1. 1,802 shares and \$11.01 have been delivered to the Company in payment of the exercise price of 6,818 employee stock options.
- 2. This is an employee stock option grant that is fully vested.

Remarks:

Leigh Ann K. Epperson, **Attorney in Fact**

04/26/2006

** 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.