

OMB APPROVAL	
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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

1. Name and Address of Reporting Person* <u>Iaccarino Michael L</u> (Last) (First) (Middle) 17655 WATERVIEW PARKWAY (Street) DALLAS TX 75252-8012 (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, U.S. Marketing Svcs</u>
	3. Date of Earliest Transaction (Month/Day/Year) 11/17/2006	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	11/17/2006		F ⁽¹⁾		786	D	\$64.14	13,898	D	
Common Stock	11/20/2006		S		2,184	D	\$63.89	11,714	D	
Common Stock	11/20/2006		M		6,600	A	\$43.2	18,314	D	
Common Stock	11/20/2006		S		6,600	D	\$64.1244	11,714 ⁽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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (Right to Buy)	\$43.2	11/20/2006		M			6,600	(3)	11/17/2014	Common Stock	6,600	(3)	14,524 ⁽⁴⁾	D	

Explanation of Responses:

- 786 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock.
- The total number of securities beneficially owned includes: (a) 5,244 out of an original 9,000 shares of time-based restricted stock granted 11/17/04, of which 2,184 shares are vested; (b) 3,235 shares of time-based restricted stock units granted 2/13/06, of which 0 shares are vested; and (c) 3,235 shares of performance-based restricted stock units granted 2/13/06, of which 0 shares are vested.
- This is an employee stock option for 20,000 shares granted 11/17/04, of which 6,600 shares vested on 11/17/05, 6,600 shares vested on 11/17/06, and 6,800 shares will vest on 11/17/07.
- The total number of derivative securities beneficially owned includes: (a) an option for 6,800 out of an original 20,000 shares granted 11/17/04, which will vest on 11/17/07; and (b) an option for 7,724 shares granted 2/13/06, of which 2,548 shares will vest on 2/13/07, 2,549 shares will vest on 2/13/08 and 2,627 shares will vest on 2/13/09.

Remarks:

Leigh Ann K. Epperson, 11/21/2006
Attorney in Fact Date

** Signature of Reporting Person

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.

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