

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
OMB Number:	3235-0287
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

1. Name and Address of Reporting Person* <u>KUBIC MICHAEL D</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) <input checked="" type="checkbox"/> Other (specify below) <u>SVP, Controller / Chief Accounting Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/21/2007</u>	
	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	02/21/2007		A ⁽¹⁾		1,294	A	(1)	10,587	D	
Common Stock	02/21/2007		A ⁽²⁾		1,294	A	(2)	11,881 ⁽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						Title
Employee Stock Option (Right to Buy)	\$63.35	02/21/2007		A ⁽⁴⁾		3,045		(4)	02/21/2017	Common Stock	3,045	(4)	36,129 ⁽⁵⁾	D	

Explanation of Responses:

- The new grant is for 1,294 shares of common stock represented by performance-based restricted stock units. The restrictions on 100% of the shares may lapse in February 2008 if certain Company financial targets are met.
- The new grant is for 1,294 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 427 shares on each of 2/21/08 and 2/21/09, and on 440 shares on 2/21/10.
- The total number of securities beneficially owned includes: (a) 900 out of an original 12,000 shares of restricted stock granted 11/9/00, which is fully vested; (b) 1,743 out of an original 2,500 shares of performance-based restricted stock granted 2/3/05, which is fully vested; (c) 3,660 out of an original 4,444 shares of time-based restricted stock granted 2/3/05, of which 2,178 shares are vested; (d) 1,319 out of an original 1,873 performance-based restricted stock units granted 2/13/06, which are fully vested; (e) 1,671 out of an original 1,873 time-based restricted stock units granted 2/13/06, of which 416 shares are vested; (f) the new grant for 1,294 performance-based restricted stock units; and (g) the new grant for 1,294 time-based restricted stock units.
- The new option is for 3,045 shares, of which 1,004 shares will vest on 2/21/08, 1,005 shares will vest on 2/21/09 and 1,036 shares will vest on 2/21/10.
- The total number of derivative securities beneficially owned includes: (a) an option for 6,611 out of an original 11,111 shares granted 10/29/1999, which is fully vested; (b) an option for 1 out of an original 12,603 shares granted 6/8/01, which is fully vested; (c) an option for 11,000 shares granted 2/2/04, which is fully vested; (d) an option for 11,000 shares granted 2/3/05, of which 7,260 shares are fully vested and 3,740 shares will vest on 2/3/08; (e) an option for 4,472 shares granted 2/13/06, of which 1,475 shares vested on 2/13/07, 1,476 shares will vest on 2/13/08 and 1,521 shares will vest on 2/13/09; and (f) the new option for 3,045 shares.

Remarks:

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

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.