SEC Form 4

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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[*]	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Taylor Transient C	ALLIANCE DATA SYSTEMS CORP [ADS]	Director 10% Owner **X** Officer (give title below) Other (specify below)
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 02/16/2007	EVP, Human Resources
17655 WATERVIEW PARKWAY (Street) DALLAS TX 75252 (City) (State) (Zip)	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) **X** Form filed by One Reporting Person 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	02/16/2007		A[(1)]		3,537	A	[(1)]	23,473	D	
Common Stock	02/16/2007		F[(2)]		1,920	D	$62.87	21,553[(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	Amount or Number of Shares				

Explanation of Responses:

1. Based on the Company's cash EPS growth as compared to the GAAP EPS growth of the S&P 500, 200% of the performance-based restricted stock unit award granted on 2/13/06 vested, resulting in an additional 3,537 shares, for a total of 7,074 shares.

2. 1,920 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock units.

3. The total number of securities beneficially owned includes: (a) 13,234 shares of time-based restricted stock granted 8/17/05, of which 0 shares are vested; (b) 5,154 out of an original 7,074 performance-based restricted stock units granted 2/13/06, which are fully vested; and (c) 3,165 out of an original 3,537 time-based restricted stock units granted 2/13/06, of which 795 shares are vested.

Remarks:

Leigh Ann K. Epperson, Attorney in Fact	02/20/2007
** 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.

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