

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

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>UTAY ALAN M</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) Other (specify below) <u>EVP, CAO, Gen. Counsel, Secy</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>04/26/2006</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	04/26/2006		M		10,000	A	\$14.665	59,880	D	
Common Stock	04/26/2006		S		10,000	D	\$55.8872	49,880	D	
Common Stock	04/26/2006		S		1,300	D	\$55.85	48,580	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)	\$14.665	04/26/2006		M			10,000	(1)	09/25/2012	Common Stock	10,000	(1)	131,850 ⁽²⁾	D	

Explanation of Responses:

- This is an employee stock option grant that is fully vested.
- The total number of derivative securities beneficially owned includes: (a) an option for 29,900 out of an original 50,000 shares granted 8/30/01, which is fully vested; (b) an option for 13,182 out of an original 50,000 shares granted 9/26/02, which is fully vested; (c) an option for 28,919 shares granted 6/24/03, of which 19,086 shares are fully vested and 9,833 shares will vest on 6/23/06; (d) an option for 29,472 shares granted 2/2/04, of which 19,452 shares are fully vested and 10,020 shares will vest on 2/2/07; (e) an option for 13,812 shares granted 2/3/05, of which 4,557 shares vested on 2/3/06, 4,557 shares will vest on 2/3/07 and 4,698 shares will vest on 2/3/08; and (f) an option for 16,565 shares granted 2/13/06, of which 5,466 shares will vest on each of 2/13/07 and 2/13/08 and 5,633 shares will vest on 2/13/09.

Remarks:

Leigh Ann K. Epperson, 04/27/2006
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.