

ALLIANCE DATA SYSTEMS CORP

Form 4

February 23, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
PARKS J MICHAEL

2. Issuer Name **and** Ticker or Trading
Symbol
**ALLIANCE DATA SYSTEMS
CORP [ADS]**

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
17655 WATERVIEW PARKWAY
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/21/2007

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Chairman and CEO

DALLAS, TX 75252-8012

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

(City) (State) (Zip)

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⁾		17,601	A	<u>(1)</u> 128,985
Common Stock	02/21/2007		A ⁽²⁾		17,601	A	<u>(2)</u> 146,586 ⁽³⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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information contained in this form are not
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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 Underlying Securities (Instr. 3 and 4)
Employee Stock Option (Right to Buy)	\$ 63.35	02/21/2007		A ⁽⁴⁾	41,408	⁽⁴⁾ 02/21/2017	Common Stock 41,408

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PARKS J MICHAEL 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	X		Chairman and CEO	

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 02/23/2007

Signature of Reporting Person

Date

Explanation of Responses:

- * 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).
- (1) The new grant is for 17,601 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the restrictions lapse. The restrictions may lapse based on the Company's cash earnings per share growth for 2007.
- (2) The new grant is for 17,601 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 5,808 shares on each of 2/21/08 and 2/21/09, and on 5,985 shares on 2/21/10.
- (3) The total amount of securities beneficially owned includes: (a) 1,860 shares purchased in the open market; (b) 2,415 shares acquired by the exercising of vested employee stock options; (c) 15,156 out of an original 23,849 shares of performance-based restricted stock granted 2/3/05, which are fully vested; (d) 17,420 out of an original 21,105 shares of time-based restricted stock granted 2/3/05, of which 10,244 shares are vested; (e) 16,344 out of an original 22,222 shares of time-based restricted stock granted 2/3/05, which are fully vested; (f) 34,388 out of an original 54,112 performance-based restricted stock units granted 2/13/06, which are fully vested; (g) 23,801 out of an original 27,056 time-based restricted stock units granted 2/13/06, of which 5,673 shares are vested; (h) the new grant for 17,601 performance-based restricted stock units; and (i) the new grant for 17,601 time-based restricted stock units.

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- (4) The new option is for 41,408 shares, of which 13,664 shares will vest on 2/21/08, 13,665 shares will vest on 2/21/09 and 14,079 shares will vest on 2/21/10.
- (5) The total number of derivative securities beneficially owned includes: (a) an option for 63,131 out of an original 83,333 shares granted 5/7/99, which is fully vested; (b) an option for 230,000 shares granted 9/1/00, which is fully vested; (c) an option for 109,388 shares granted 6/8/01, which is fully vested; (d) an option for 106,203 shares granted 6/24/03, which is fully vested; (e) an option for 129,291 shares granted 2/2/04, which is fully vested; (f) an option for 58,626 shares granted 2/3/05, of which 38,692 shares are fully vested and 19,934 shares will vest on 2/3/08; (g) an option for 64,572 shares granted 2/13/06, of which 21,308 shares vested on 2/13/07, 21,309 shares will vest on 2/13/08 and 21,955 shares will vest on 2/13/09; and (h) the new option for 41,408 shares.

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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