

ALLIANCE DATA SYSTEMS CORP

Form 4

April 26, 2006

**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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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
UTAY ALAN M

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)  
04/24/2006

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)  
EVP, CAO, Gen. Counsel, Secy

DALLAS, TX 75252-8012

4. If Amendment, Date 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

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |        |   |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|--------|---|
|                                       |                                         |                                                             | Code                                 | V                                                                       | Amount                                                                                                             | (A)<br>or<br>(D)                                                        | Price                                                             |        |   |
| Common<br>Stock                       | 04/24/2006                              |                                                             | S                                    |                                                                         | 2,128                                                                                                              | D                                                                       | \$<br>54.7475                                                     | 51,644 | D |
| Common<br>Stock                       | 04/25/2006                              |                                                             | S                                    |                                                                         | 6,780                                                                                                              | D                                                                       | \$ 55.13                                                          | 44,864 | D |
| Common<br>Stock                       | 04/25/2006                              |                                                             | F <sup>(1)</sup>                     |                                                                         | 1,802                                                                                                              | D                                                                       | \$ 55.48                                                          | 43,062 | D |
| Common<br>Stock                       | 04/25/2006                              |                                                             | M <sup>(1)</sup>                     |                                                                         | 6,818                                                                                                              | A                                                                       | \$ 14.665                                                         | 49,880 | D |

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

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 control number.

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Amount<br>or<br>Number<br>of<br>Shares |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------|
| Employee<br>Stock<br>Option<br>(Right to<br>Buy)    | \$ 14.665                                                          | 04/25/2006                              |                                                             | M <sup>(1)</sup>                     | 6,818                                                                                                           | <sup>(2)</sup> 09/25/2012                                      | Common<br>Stock                                                     | 6,818                                     |

## Reporting Owners

| Reporting Owner Name / Address                                  | Relationships |           |                                    |       |
|-----------------------------------------------------------------|---------------|-----------|------------------------------------|-------|
|                                                                 | Director      | 10% Owner | Officer                            | Other |
| UTAY ALAN M<br>17655 WATERVIEW PARKWAY<br>DALLAS, TX 75252-8012 |               |           | EVP, CAO,<br>Gen. Counsel,<br>Secy |       |

## Signatures

Leigh Ann K. Epperson, Attorney  
in Fact 04/26/2006

\_\_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) 1,802 shares and \$11.01 have been delivered to the Company in payment of the exercise price of 6,818 employee stock options.

(2) This is an employee stock option grant that is fully vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.