

ALLIANCE DATA SYSTEMS CORP  
 Form 4  
 February 23, 2007

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KUBIC MICHAEL D**

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)  
**SVP, Controller / Chief Accounting Officer**

**DALLAS, TX 75252-8012**

(City) (State) (Zip)

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

**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 Ownership (Instr. 4)
				(A) or (D)	Amount			
Common Stock	02/21/2007		A <sup>(1)</sup>	V	1,294	A (1) 10,587	D	
Common Stock	02/21/2007		A <sup>(2)</sup>	V	1,294	A (2) 11,881 (3)	D	

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

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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 (5) 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.

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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