ALLIANCE DATA SYSTEMS CORP

Form 4 June 23, 2006

FORM 4

OMB APPROVAL

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

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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

SECURITIES

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

may continue.

See Instruction

1. Name and Addres PARKS J MICH	s of Reporting Person * AEL	2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP [ADS]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
	First) (Middle) VIEW PARKWAY	3. Date of Earliest Transaction (Month/Day/Year) 06/21/2006	_X_ Director 10% Owner Other (specify below)		
(Street)	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		
DALLAS, TX 75	5252-8012		Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tabl	e I - Non-D	erivative S	Securi	ties Acqu	ired, Disposed of	, or Beneficiall	y 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. Securit on(A) or Dis (Instr. 3, 4)	sposed	of (D)	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)
Common Stock	06/21/2006		M <u>(1)</u>	60,000	A	\$9	252,089	D	
Common Stock	06/21/2006		S <u>(1)</u>	60,000	D	\$ 55.75	192,089 (2)	D	

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

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SEC 1474

(9-02)

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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. Transactio Code (Instr. 8)	5. Number of on Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		ransactionDerivative ode Securities nstr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4,		6. Date Exer Expiration D (Month/Day	Pate	7. Title and a Underlying S (Instr. 3 and	Securities
				Code V	(A) (D))	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option (Right to Buy)	\$ 9	06/21/2006		M <u>(1)</u>	60,0	000	(3)	03/09/2007	Common Stock	60,000				

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Reporting Owners

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

Signatures

Leigh Ann K. Epperson, Attorney o6/23/2006 in Fact

**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).

The sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on May 25, 2006.

The trading plan was established to sell up to 60,000 shares of the Company's common stock. Portions of the shares may be sold on specified dates or any time the stock achieves certain pre-arranged minimum prices and may take place beginning on June 1, 2006 and ending on July 31, 2006, unless sooner terminated. The Reporting Person will have no control over the timing of any sales under the plan and there can be no assurance that the shares covered by the plan actually will be sold. The Reporting Person entered into the plan for personal tax and financial planning purposes and will continue to have a significant ownership interest in the Company.

The total number of securities beneficially owned includes: (a) 868 out of an original 120,000 shares of restricted stock granted 9/1/00 which are fully vested; (b) 1,860 shares purchased in the open market; (c) 18,661 shares of performance-based restricted stock granted 6/24/03 which are fully vested; (d) 57,146 shares acquired by the exercising of vested employee stock options; (e) 5,740 out of an original 35,740 shares of performance-based restricted stock granted 2/2/04 which are fully vested; (f) 15,156 out of an original 23,849 shares of performance-based restricted stock granted 2/3/05, which are fully vested; (g) 19,263 out of an original 21,105 shares of time-based restricted stock granted 2/3/05, of which 5,122 shares are vested; (h) 19,283 out of an original 22,222 shares of time-based restricted stock granted 2/3/05, of which 8,172 shares are vested; (i) 27,056 performance-based restricted stock units granted 2/13/06, of which 0 shares are vested; (continued below)

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- (3) This is an employee stock option grant that is fully vested.
 - The total number of derivative securities beneficially owned includes: (a) an option for 7,477 out of an original 177,777 shares granted 3/10/97, which is fully vested; (b) an option for 63,131 out of an original 83,333 shares granted 5/7/99, which is fully vested; (c) an option for 230,000 shares granted 9/1/00, which is fully vested; (d) an option for 109,388 shares granted 6/8/01, which is fully vested; (e)
- (4) an option for 106,203 shares granted 6/24/03, which is fully vested; (f) an option for 129,291 shares granted 2/2/04, of which 85,332 shares are fully vested and 43,959 shares will vest on 2/2/07; (g) an option for 58,626 shares granted 2/3/05, of which 19,346 shares vested on 2/3/06, 19,346 shares will vest on 2/3/07 and 19,934 shares will vest on 2/3/08; and (h) an option for 64,572 shares granted 2/13/06, of which 21,308 shares will vest on 2/13/07, 21,309 shares will vest on 2/13/08 and 21,955 shares will vest on 2/13/09.

Remarks:

(2) Continued from above: and (j) 27,056 time-based restricted stock units granted 2/13/06, of which 0 shares are 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.