

ALLIANCE DATA SYSTEMS CORP

Form 4

April 04, 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

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
SZEFTTEL IVAN 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

3. Date of Earliest Transaction
(Month/Day/Year)
03/31/2006

____ Director ____ 10% Owner
____X____ Officer (give title below) ____X____ Other (specify below)
Executive Vice President / President Retail
Credit Svcs.

(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
____ Form filed by More than One Reporting
Person

DALLAS, TX 75252-8012

(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 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)
Common Stock	03/31/2006		A ⁽¹⁾	1,269 A	100,324	D	
Common Stock	03/31/2006		F ⁽²⁾	4,360 D	\$ 95,964 ⁽³⁾	D	

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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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. 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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

SZEFTTEL IVAN M
17655 WATERVIEW PARKWAY
DALLAS, TX 75252-8012

Executive Vice President President Retail Credit Svcs.

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

04/04/2006

**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) Based on the Company's cash EPS growth as compared to the GAAP EPS growth of the S&P 500, 113% of the performance-based restricted stock award granted on 2/3/05 vested, resulting in an additional 1,269 shares, for a total of 11,030 shares.
- (2) 4,360 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock.

- The total number of securities beneficially owned includes: (a) 1,000 shares purchased on the open market; (b) 472 shares of performance-based restricted stock granted 6/24/03, which are fully vested; (c) 38,586 shares acquired by the exercising of vested employee stock options; (d) 6,670 out of an original 11,030 shares of performance-based restricted stock granted 2/3/05, which are fully vested; (e) 8,762 out of an original 9,761 shares of time-based restricted stock granted 2/3/05, of which 2,222 shares are vested; (f) 15,452 out of an original 17,778 shares of time-based restricted stock granted 2/3/05, of which 3,600 shares are vested; (g) 12,511 performance-based restricted stock units granted 2/13/06, of which 0 shares are vested; and (h) 12,511 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.

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