

ALLIANCE DATA SYSTEMS CORP
 Form 3
 October 05, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Iaccarino Michael L		(Month/Day/Year)	ALLIANCE DATA SYSTEMS CORP [ADS]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
		10/02/2006		
17655 WATERVIEW PARKWAY			(Check all applicable)	
(Street)			<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
DALLAS,Â TXÂ 75252-8012			<input checked="" type="checkbox"/> Officer	<input type="checkbox"/> Other
(City)	(State)	(Zip)	(give title below)	(specify below)
			President, U.S. Marketing Svcs	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input checked="" type="checkbox"/> Form filed by One Reporting Person	
			<input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	14,684 ⁽¹⁾	D	Â

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

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Employee Stock Option (Right to Buy)	Â (2)	11/17/2014	Common Stock	13,400	\$ 43.2	D	Â
Employee Stock Option (Right to Buy)	Â (3)	02/13/2016	Common Stock	7,724	\$ 43.01	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Iaccarino Michael L 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	Â	Â	Â President, U.S. Marketing Svcs	Â

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

10/05/2006

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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 total number of securities beneficially owned includes: (a) 8,214 out of an original 9,000 shares of time-based restricted stock granted
- (1) 11/17/04, of which 2,184 shares are vested; (b) 3,235 shares of time-based restricted stock units granted 2/13/06, of which 0 shares are vested; and (c) 3,235 shares of performance-based restricted stock units granted 2/13/06, of which 0 shares are vested.
 - (2) The option is for 13,400 out of an original 20,000 shares granted 11/17/04, of which 6,600 shares vested on 11/17/05, 6,600 shares will vest on 11/17/06 and 6,800 shares will vest on 11/17/07.
 - (3) The option is for 7,724 shares granted 2/13/06, of which 2,548 shares will vest on 2/13/07, 2,549 shares will vest on 2/13/08 and 2,627 shares will vest on 2/13/09.

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.