

ALLIANCE DATA SYSTEMS CORP
 Form 4
 February 15, 2006

FORM 4

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

OMB APPROVAL

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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 *
 TUCKER DWAYNE H

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)
 02/13/2006

____ Director _____ 10% Owner
 Officer (give title below) Other (specify below)
 Executive Vice President / Pres. Utility/Transaction Svcs

DALLAS, TX 75252-8012

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

(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 (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) Code V Amount (D) Price			
Common Stock	02/13/2006		A ⁽¹⁾	9,098 A <u>(1)</u>	81,710	D	
Common Stock	02/13/2006		A ⁽²⁾	9,098 A <u>(2)</u>	90,808 ⁽³⁾	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)

Table with 7 columns: 1. Title of Derivative Security, 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date, 3A. Deemed Execution Date, 4. Transaction Code, 5. Number of Securities, 6. Date Exercisable and Expiration Date, 7. Title and Amount of Underlying Securities. Includes entry for Employee Stock Option.

Reporting Owners

Table with columns: Reporting Owner Name / Address, Relationships (Director, 10% Owner, Officer, Other). Includes entry for TUCKER DWAYNE H, Executive Vice President.

Signatures

Leigh Ann K. Epperson, Attorney in Fact, Date 02/15/2006

Explanation of Responses:

- * If the form is filed by more than one reporting person...
** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
(1) The new grant is for 9,098 shares of common stock...
(2) The new grant is for 9,098 shares of common stock...
(3) The total amount of securities beneficially owned includes (a) 1,379 shares...
(4)

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The new option is for 21,714 shares, of which 7,165 shares will vest on 2/13/07, 7,166 shares will vest on 2/13/08 and 7,383 shares will vest on 2/13/09.

- (5) The total number of derivative securities beneficially owned includes: (a) an option for 44,357 out of an original 115,000 shares granted 9/1/00, which is fully vested; (b) an option for 1 out of an original 81,917 shares granted 6/8/01, which is fully vested; (c) an option for 33,171 shares granted 6/24/03, of which 21,892 shares are fully vested and 11,279 shares will vest on 6/23/06; (d) an option for 33,682 shares granted 2/2/04, of which 22,230 shares are fully vested and 11,452 shares will vest on 2/2/07; (e) an option for 16,370 shares granted 2/3/05, of which 5,402 shares vested on 2/3/06, 5,402 shares will vest on 2/3/07 and 5,566 shares will vest on 2/3/08; (f) an option for 4,604 shares granted 3/31/05, of which 1,519 shares vested on 2/3/06, 1,519 shares will vest on 2/3/07 and 1,566 shares will vest on 2/3/08; and (g) the new option for 21,714 shares.

Remarks:

- (3) Continued from above: (i) 3,000 shares of time-based restricted stock granted 3/31/05, of which 0 shares are vested; (j) th

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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