

ALLIANCE DATA SYSTEMS CORP
 Form 4
 April 04, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 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)
 03/31/2006

____ 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)	Price		
Common Stock	03/31/2006		A ⁽¹⁾	983	A 0.00	80,402	D
Common Stock	03/31/2006		F ⁽²⁾	3,115	D \$ 46.43	77,287 ⁽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)

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. Number of Derivative Securities Owned Following Transaction (Instr. 6)
				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
TUCKER DWAYNE H 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Executive Vice President	Pres. Utility/Transaction 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 766 shares, for a total of 6,659 shares, and 113% of the performance-based restricted stock award granted on 3/31/05 vested, resulting in an additional 217 shares, for a total of 1,884 shares.
- (2) 3,115 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock.
- (3) The total amount of securities beneficially owned includes (a) 1,379 shares acquired through the Company employee stock purchase program; (b) 25,366 shares acquired by the exercising of vested employee stock options; (c) 4,231 out of an original 6,659 shares of performance-based restricted stock granted 2/3/05, which are fully vested; (d) 3,949 out of an original 5,893 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; (e) 11,852 out of an original 17,778 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; (f) 1,197 out of an original 1,884 shares of performance-based restricted stock granted 3/31/05, which are fully vested; (g) 1,117 out of an original 1,667 shares of time-based restricted stock granted 3/31/05, of which 0 shares are vested; (h) 7,000 shares of performance-based restricted stock granted 3/31/05, of which 0 shares are vested; (continued below)

Remarks:

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(3) Continued from above: (i) 3,000 shares of time-based restricted stock granted 3/31/05, of which 0 shares are vested; (j) 9

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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