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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

July 14, 2008

Alliance Data Systems Corporation

(Exact name of registrant as specified in its charter)

Delaware

001-15749

31-1429215

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

17655 Waterview Parkway, Dallas, Texas

75252

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(972) 348-5100

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On July 14, 2008, Alliance Data Systems Corporation (the "Company") provided to market analysts an IR Update announcing that it had signed an agreement for the sale of the Company's utility services business, less certain retained assets, to Vertex U.S. Holdings II Inc. and Vertex Canada Holdings II Limited, two subsidiaries of VTX Holdings Limited ("Vertex"). A copy of this IR Update is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 IR Update dated July 14, 2008 announcing an agreement with Vertex.

Note: The information contained in this report (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alliance Data Systems Corporation

July 14, 2008

By: *Edward J. Heffernan*

Name: Edward J. Heffernan

Title: Executive Vice President and Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	IR Update dated July 14, 2008 announcing an agreement with Vertex.

Investor Relations Update

July 14, 2008

ALLIANCE DATA SIGNS AGREEMENT FOR SALE OF UTILITY SERVICES BUSINESS TO VTX HOLDINGS LIMITED

- On July 11, Alliance Data signed an agreement for the sale of the Company's Utility Services business to Vertex U.S. Holdings II Inc. and Vertex Canada Holdings II Limited, two subsidiaries of VTX Holdings Limited (collectively "Vertex"). Vertex is a global outsourcing firm headquartered in the United Kingdom.
- Under the terms of the agreement, Vertex will acquire Alliance Data's Utility Services business less certain retained assets, with Alliance Data receiving proceeds of approximately \$50 million in cash, subject to certain adjustments. The transaction should yield no net cash tax liability to the Company and is expected to close in the third quarter.
- The agreement is part of the completion of Alliance Data's disposition plan announced in March, which also included its merchant acquiring business, Network Services, sold in May.
- In March, Alliance Data announced that its Utility Services and Network Services businesses were no longer aligned with the Company's long-term strategy of delivering transaction-based loyalty and marketing solutions, and moved the businesses to discontinued operations. As such, the Company determined it would no longer continue to invest in these non-core businesses, which have had a negative impact on Alliance Data's net cash flow.
- Alliance Data believes Vertex should be well qualified to operate the Utility Services business, which should complement Vertex's existing utilities operations.

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