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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):

March 30, 2007

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 1.01 Entry into a Material Definitive Agreement.**

On March 30, 2007, the Company (as "Borrower") and ADS Alliance Data Systems, Inc., Alliance Data Foreign Holdings, Inc., Epsilon Marketing Services, LLC and Epsilon Data Management, LLC (as "Guarantors") amended their Credit Agreement with Bank of Montreal, as administrative agent and letter of credit issuer, and various other agents and banks dated September 29, 2006 (the "Credit Facility").

The amendment extended the lending commitments under the Credit Facility which were scheduled to terminate on September 29, 2011 to March 30, 2012. In addition, the amendment adjusts the Senior Leverage Ratio applicable to the various levels set forth in the Pricing Schedule in Appendix I of the Credit Agreement and the margin applicable to Eurodollar loans as described below.

After giving effect to the amendment, the interest rate for Eurodollar loans denominated in U.S. or Canadian Dollars fluctuates based on the rate at which deposits of U.S. Dollars or Canadian Dollars, respectively, in the London interbank market are quoted plus a margin of 0.4% to 0.8% based upon the Company's Senior Leverage Ratio as defined in the Credit Facility.

The Company paid an amendment fee equal to 0.05% of each bank's commitment under the Credit Facility.

The preceding summary of the amendment to the Credit Facility is qualified in its entirety by reference to the full text of such amendment, a copy of which is attached as Exhibit 10.1 hereto and incorporated by reference herein.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information provided in Item 1.01 above is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

10.1 First Amendment to Credit Agreement, dated as of March 30, 2007, by and among Alliance Data Systems Corporation and certain subsidiaries parties thereto as Guarantors, Bank of Montreal, as Administrative Agent and various other agents and banks.

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**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

March 30, 2007

By: *Edward J. Heffernan*

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*Name: Edward J. Heffernan*

*Title: Executive Vice President and Chief Financial Officer*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	First Amendment to Credit Agreement, dated as of March 30, 2007, by and among Alliance Data Systems Corporation and certain subsidiaries parties thereto as Guarantors, Bank of Montreal, as Administrative Agent and various other agents and banks.

FIRST AMENDMENT TO

CREDIT AGREEMENT

This First Amendment to Credit Agreement (this "Amendment") is dated as of March 30, 2007 by and among Alliance Data Systems Corporation (the "Borrower"), the Guarantors party hereto, the Banks party hereto, and Bank of Montreal, as Administrative Agent and Letter of Credit Issuer.

WITNESSETH:

WHEREAS, the Borrower, the Guarantors, the Banks, and the Administrative Agent have heretofore executed and delivered a Credit Agreement dated as of September 29, 2006 (the "Credit Agreement"); and

WHEREAS, the Borrower, the Guarantor, the Banks and the Administrative Agent desire to amend the Credit Agreement to extend the Maturity Date and amend the Pricing Schedule as set forth herein;

NOW, THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, the Borrower, the Guarantor, the Banks and the Administrative Agent hereby agree as follows:

ARTICLE I

AMENDMENTS

1.1 The definition of "Maturity Date" contained in Section 1.1 of the Credit Agreement is hereby amended in its entirety to read as follows:

"Maturity Date" means March 30, 2012.

1.2 The pricing schedule set forth in Appendix I to the Credit Agreement is hereby amended by deleting the pricing grid contained therein in its entirety and inserting in its place the following:

<u>Status</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
<u>Senior Leverage Ratio</u>	<u>&lt;1.75</u>	<u>&gt; or = 1.75 &lt; 2.25</u>	<u>&gt; or = 2.25</u>
<u>Euro-Dollar Margin and Euro-Canadian Dollar Margin</u>	<u>0.40%</u>	<u>0.60%</u>	<u>0.80%</u>
<u>Applicable Facility Fee Percentage</u>	<u>0.10%</u>	<u>0.15%</u>	<u>0.20%</u>

1.3 Schedule 5.21 to the Credit Agreement is hereby amended by deleting the existing Schedule 5.21 in its entirety and inserting in its place Schedule 5.21 attached to this Amendment.

ARTICLE II

CONDITIONS PRECEDENT

2. Article I of this Amendment shall become effective as of the opening of business on March 30, 2007 (the "Effective Time") subject to the conditions precedent that on or before such date:

(a) the Administrative Agent shall have received counterparts hereof executed by the Borrower, the Guarantors and the Banks;

(b) the Administrative Agent shall have received certified copies of resolutions of the boards of directors of the Borrower and the Guarantors authorizing the execution and delivery of this Amendment, indicating the authorized signers of this Amendment and the specimen signatures of such signers;

(c) an opinion of counsel to the Borrower and Guarantors in form reasonably acceptable to the Administrative Agent and covering such matters relating to the transactions contemplated hereby as the Administrative Agent may reasonably request;

(d) the Administrative Agent shall have received for the ratable account of the Banks an amendment fee equal to 0.05% of each Bank's Commitment; and

(e) the Borrower shall have paid the fees and expenses of counsel to the Administrative Agent to the extent previously invoiced.

If Article I of this Amendment becomes effective, the changes in the Euro-Dollar Margin, Euro-Canadian Dollar Margin and Applicable Facility Fee Percentage shall take effect on March 30, 2007 and on each day thereafter, but any payment of interest or fees due on or after March 30, 2007 with respect to any amounts owing for any period prior thereto shall be computed on the basis of the Euro-Dollar Margin, Euro-Canadian Dollar Margin and Applicable Facility Fee Percentage, as applicable, in effect prior to

such effectiveness. The effectiveness of Article I of this Amendment shall not give rise to any right or claim under Section 2.13 of the Credit Agreement.

### ARTICLE III

#### MISCELLANEOUS

3.1. To induce the Administrative Agent and the Banks to enter into this Amendment, the Borrower represents and warrants to the Administrative Agent and the Banks that: (a) the representations and warranties contained in the Credit Agreement are true and correct in all material respects as of the date hereof with the same effect as though made on the date hereof (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); (b) no Default or Event of Default exists; (c) this Amendment has been duly authorized by all necessary corporate proceedings and duly executed and delivered by the Borrower and the Credit Agreement, as amended by this Amendment, is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity; and (d) no consent, approval, authorization, order, registration or qualification with any governmental authority is required for, and the absence of which would adversely affect, the legal and valid execution and delivery or performance by the Borrower of this Amendment or the performance by the Borrower of the Credit Agreement, as amended by this Amendment.

3.2. This Amendment may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

3.3. Except as specifically provided above, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects. The execution, delivery, and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power, or remedy of the Administrative Agent or any Bank under the Credit Agreement or any Note, nor constitute a waiver or modification of any provision of any of the Credit Agreement or any Note.

3.4. This Amendment and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the law of the State of New York.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

Alliance Data Systems Corporation, as Borrower

By: /s/ Michael D. Kubic  
Name: Michael D. Kubic  
Title: Senior Vice President

ADS Alliance Data Systems, Inc., as a Guarantor

By: /s/ Michael D. Kubic  
Name: Michael D. Kubic  
Title: Senior Vice President

Epsilon Marketing Services, LLC, as a Guarantor

By: /s/ John W. Scullion  
Name: John W. Scullion  
Title: President

Epsilon Data Management, LLC, as a Guarantor

By: /s/ Alan M. Utay  
Name: Alan M. Utay  
Title: Vice President

Alliance Data Foreign Holdings, Inc., as a Guarantor

By: /s/ John W. Scullion  
Name: John W. Scullion  
Title: President

Bank of Montreal, as Administrative Agent, Letter of Credit Issuer and Swing Lender

By: /s/ Kathleen J. Collins  
Name: Kathleen J. Collins  
Title: Director

BMO Capital Markets Financing, Inc.

By: /s/ Kathleen J. Collins  
Name: Kathleen J. Collins  
Title: Director

SunTrust Bank

By: /s/ Timothy M. O'Leary  
Name: Timothy M. O'Leary  
Title: Director

Bank of America, N.A.

By: /s/ Allison W. Connally  
Name: Allison W. Connally  
Title: Vice President

Barclays Bank PLC

By: /s/ Nicholas A. Bell  
Name: Nicholas A. Bell  
Title: Director

JPMorgan Chase Bank, N.A.

By: /s/ Steve Willman  
Name: Steve Willman  
Title: Vice President

Union Bank of California, N.A.

By: /s/ Clifford F. Cho  
Name: Clifford F. Cho  
Title: Vice President

The Bank of New York

By: /s/ Ronald R. Reedy  
Name: Ronald R. Reedy  
Title: Managing Director

Credit Suisse, Cayman Islands Branch

By: /s/ Cassandra Droogan  
Name: Cassandra Droogan  
Title: Vice President

By: /s/ Denise L. Alvarez  
Name: Denise L. Alvarez  
Title: Associate

Fifth Third Bank (Central Ohio)

By: /s/ Michael R. Zaksheske  
Name: Michael R. Zaksheske  
Title: Vice President

Huntington National Bank

By: /s/ Frederick G. Hadley  
Name: Frederick G. Hadley  
Title: Senior Vice President



Greenwich Capital Markets, Inc., as agent for the Royal Bank of Scotland PLC

By: /s/ Fergus Smail  
Name: Fergus Smail  
Title: Vice President

US Bank National Association

By: /s/ Kevin S. McFadden  
Name: Kevin S. McFadden  
Title: Vice President

Wachovia Bank, National Association

By: /s/ Karin E. Samuel  
Name: Karen E. Samuel  
Title: Vice President

Bank Hapoalim B.M.

By: /s/ Charles McLaughlin  
Name: Charles McLaughlin  
Title: Senior Vice President

By: /s/ James P. Surless  
Name: James P. Surless  
Title: Vice President

Bear Stearns Corporate Lending, Inc.

By: /s/ Victor Bulzacchelli  
Name: Victor Bulzacchelli  
Title: Vice President