

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>TUCKER DWAYNE H</u> _____ (Last) (First) (Middle) <u>17655 WATERVIEW PARKWAY</u> _____ (Street) <u>DALLAS TX 75252-8012</u> _____ (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>ALLIANCE DATA SYSTEMS CORP [ ADS ]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) <u>Executive Vice President / Pres. Utility/Transaction Svcs</u>		
			3. Date of Earliest Transaction (Month/Day/Year) <u>03/31/2006</u>					
			4. If Amendment, Date of Original Filed (Month/Day/Year)					
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 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/31/2006		A <sup>(1)</sup>		983	A	(1)	80,402	D	
Common Stock	03/31/2006		F <sup>(2)</sup>		3,115	D	\$46.43	77,287 <sup>(3)</sup>	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
						Date Exercisable	Expiration Date					

**Explanation of Responses:**

- 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.
- 3,115 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock.
- 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:**

- (3) Continued from above: (i) 3,000 shares of time-based restricted stock granted 3/31/05, of which 0 shares are vested; (j) 9,098 performance-based restricted stock units granted 2/13/06, of which 0 shares are vested; and (k) 9,098 time-based restricted stock units granted 2/13/06, of which 0 shares are vested.

Leigh Ann K. Epperson,  
Attorney in Fact

04/04/2006

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.