

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):

April 7, 2005

ALLIANCE DATA SYSTEMS CORPORATION

(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other Jurisdiction
Of Incorporation)

001-15749
(Commission
File Number)

31-1429215
(IRS Employer
Identification No.)

**17655 WATERVIEW PARKWAY
DALLAS, TEXAS 75252**
(Address and Zip Code of Principal Executive Offices)

(972) 348-5100
(Registrant's Telephone Number, including Area Code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K 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
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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ITEM 1.01. Entry into Material Definitive Agreement

On April 7, 2005, Alliance Data Systems Corporation and certain of its subsidiaries (collectively, the “Company”) entered into amendments to the Company’s three credit facilities. The amendment to the 3-year credit facility extended the maturity date from April 10, 2006 to April 3, 2008. The amendment to the 364-day credit facility extended the maturity date from April 7, 2005 to April 6, 2006. The amendment to the Canadian credit facility extended the maturity date from April 10, 2006 to April 3, 2008 and reduced the aggregate amount of the commitments permitted thereunder by \$15.0 million from \$50.0 million to \$35.0 million. The range of margins on the interest rate on eurodollar loans for each of the three facilities and the commitment fee percentages, both of which are based upon the ratio of total debt under the credit facilities to consolidated Operating EBITDA, as each term is defined in the credit facilities, was revised from 1.0%-1.5% to 0.5%-1.0% and from 0.1%-0.3% to 0.1%-0.15%, respectively. Except as set forth above, the remaining terms of each credit facility remain unchanged.

ITEM 9.01. Financial Statements and Exhibits

(c) Exhibits

EXHIBIT NUMBER	DESCRIPTION
99.1	SECOND AMENDMENT TO CREDIT AGREEMENT (3- YEAR) dated as of April 7, 2005 by and among Alliance Data Systems Corporation, the Guarantor party thereto, the Banks party thereto, and Harris Trust and Savings Bank, as Administrative Agent and Letter of Credit Issuer.
99.2	THIRD AMENDMENT TO CREDIT AGREEMENT (364-DAY) dated as of April 7, 2005 by and among Alliance Data Systems Corporation, the Guarantor party thereto, the Banks party thereto, and Harris Trust and Savings Bank, as Administrative Agent and Letter of Credit Issuer.
99.3	SECOND AMENDMENT TO CREDIT AGREEMENT (CANADIAN) dated as of April 7, 2005 by and among Loyalty Management Group Canada Inc., the Guarantors party thereto, the Banks party thereto, Bank of Montreal, as Letter of Credit Issuer, and Harris Trust and Savings Bank, as Administrative Agent.

SIGNATURES

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

Date: April 13, 2005

ALLIANCE DATA SYSTEMS CORPORATION

By: /s/ Edward J. Heffernan

Edward J. Heffernan
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
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99.2	THIRD AMENDMENT TO CREDIT AGREEMENT (364-DAY) dated as of April 7, 2005 by and among Alliance Data Systems Corporation, the Guarantor party thereto, the Banks party thereto, and Harris Trust and Savings Bank, as Administrative Agent and Letter of Credit Issuer.
99.3	SECOND AMENDMENT TO CREDIT AGREEMENT (CANADIAN) dated as of April 7, 2005 by and among Loyalty Management Group Canada Inc., the Guarantors party thereto, the Banks party thereto, Bank of Montreal, as Letter of Credit Issuer, and Harris Trust and Savings Bank, as Administrative Agent.

SECOND AMENDMENT TO
CREDIT AGREEMENT (3-YEAR)

This Second Amendment to Credit Agreement (3-Year) (this "*Amendment*") is dated as of April 7, 2005 by and among Alliance Data Systems Corporation (the "*Borrower*"), the Guarantor party hereto, the Banks party hereto, and Harris Trust and Savings Bank, as Administrative Agent and Letter of Credit Issuer.

WITNESSETH:

WHEREAS, the Borrower, the Guarantor, the Banks, and the Administrative Agent have heretofore executed and delivered a Credit Agreement (3-Year) dated as of April 10, 2003 (as amended by the First Amendment thereto dated as of October 21, 2004, the "*Credit Agreement*"); and

WHEREAS, the Borrower, the Guarantor, the Banks and the Administrative Agent desire to amend the Credit Agreement to (i) extend the Maturity Date to April 3, 2008 and (ii) and to make certain other amendments to the Credit Agreement 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:

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 April 3, 2008.

2. The pricing grid set forth in Appendix I to the Credit Agreement is hereby amended in its entirety and as so amended shall read as follows:

Status	Level I	Level II	Level III
Senior Leverage Ratio	<1.00	³ 1.00<1.50	³ 1.50
Euro-Dollar Margin	0.50%	0.75%	1.00%
Applicable Commitment Fee Percentage	.10%	.125%	.15%

3. This Amendment shall become effective as of the opening of business on April 7, 2005 (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 Guarantor and the Banks;

(b) the Administrative Agent shall have received certified copies of resolutions of the boards of directors of the Borrower and the Guarantor 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 Guarantor in form reasonably acceptable to the Administrative Agent and covering such matters relating to the transactions contemplated hereby as the Administrative Agent or the Required Banks may reasonably request; and

(d) the Administrative Agent shall have received for the ratable account of the Banks an amendment fee equal to 0.10% of each Bank's Commitment.

If this Amendment becomes effective, the changes in the Euro-Dollar Margin and Applicable Commitment Fee Percentage shall take effect on April 7, 2005 and on each day thereafter, but any payment of interest or fees due on or after April 7, 2005 with respect to any amounts owing for any period prior thereto shall be computed on the basis of the Euro-Dollar Margin and Applicable Commitment Fee Percentage, as applicable, in effect prior to such effectiveness.

4.1. 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.

4.2. 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.

4.3. 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.

4.4. 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/ Robert P. Armiak
Name Robert P. Armiak
Title Sr VP., Treasurer

ADS ALLIANCE DATA SYSTEMS, INC., as a
Guarantor

By /s/ Robert P. Armiak
Name Robert P. Armiak
Title Sr VP., Treasurer

[Second Amendment 3-Year]

HARRIS TRUST AND SAVINGS BANK,
individually, as Letter of Credit Issuer and as
Administrative Agent

By /s/ Peter Stack

Name Peter Stack
Title Director

[Second Amendment 3-Year]

SUNTRUST BANK

By /s/ Nora G. Brown

Name Nora G. Brown

Title Vice President

[Second Amendment 3-Year]

WACHOVIA BANK, N.A.

By /s/ Michael Romanzo, CFA

Name Michael Romanzo, CFA

Title Vice President

[Second Amendment 3-Year]

JPMORGAN CHASE BANK

By /s/ Mike Lister

Name Mike Lister

Title Senior Vice President

[Second Amendment 3-Year]

HUNTINGTON NATIONAL BANK

By /s/ Steven P. Clemens
Name Steven P. Clemens
Title Vice President

[Second Amendment 3-Year]

BEAR STEARNS CORPORATE LENDING, INC.

By /s/ Victor Bulzacchelli

Name Victor Bulzacchelli

Title Vice President

[Second Amendment 3-Year]

CREDIT SUISSE FIRST BOSTON, acting
through its Cayman Islands Branch

By /s/ (ILLEGIBLE) /s/ Denise L. Alvarez
Name (ILLEGIBLE) Denise L. Alvarez
Title Director Associate

[Second Amendment 3-Year]

US BANK NATIONAL ASSOCIATION

By /s/ David F. Higbee

Name David F. Higbee

Title Vice President

[Second Amendment 3-Year]

UNION BANK OF CALIFORNIA, N.A.

By /s/ Clifford F. Cho

Name Clifford F. Cho

Title Vice President

[Second Amendment 3-Year]

FIFTH THIRD BANK, an Ohio banking
corporation

By /s/ Kristie L. Nicolosi
Name Kristie L. Nicolosi
Title Assistant Vice President

[Second Amendment 3-Year]

BARCLAYS BANK PLC

By /s/ Alison McGuigan

Name Alison McGuigan

Title Associate Director

[Second Amendment 3-Year]

**THIRD AMENDMENT TO
CREDIT AGREEMENT (364-DAY)**

This Third Amendment to Credit Agreement (364-Day) (this "*Amendment*") is dated as of April 7, 2005 by and among Alliance Data Systems Corporation (the "*Borrower*"), the Guarantor party hereto, the Banks party hereto, and Harris Trust and Savings Bank, as Administrative Agent and Letter of Credit Issuer.

WITNESSETH:

WHEREAS, the Borrower, the Guarantor, the Banks, and the Administrative Agent have heretofore executed and delivered a Credit Agreement (364-Day) dated as of April 10, 2003 (as amended by the First Amendment thereto dated as of April 8, 2004 and the Second Amendment thereto dated as of October 21, 2004, the "*Credit Agreement*"); and

WHEREAS, the Borrower, the Guarantor, the Banks and the Administrative Agent desire to amend the Credit Agreement to (i) extend the Maturity Date to April 6, 2006 and (ii) and to make certain other amendments to the Credit Agreement 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:

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 April 6, 2006.

2. The pricing grid set forth in Appendix I to the Credit Agreement is hereby amended in its entirety and as so amended shall read as follows:

Status	Level I	Level II	Level III
Senior Leverage Ratio	<1.00	³ 1.00<1.50	³ 1.50
Euro-Dollar Margin	0.50%	0.75%	1.00%
Applicable Commitment Fee Percentage	.10%	.125%	.15%

3. This Amendment shall become effective as of the opening of business on April 7, 2005 (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 Guarantor and the Banks;

(b) the Administrative Agent shall have received certified copies of resolutions of the boards of directors of the Borrower and the Guarantor 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 Guarantor in form reasonably acceptable to the Administrative Agent and covering such matters relating to the transactions contemplated hereby as the Administrative Agent or the Required Banks may reasonably request; and

(d) the Administrative Agent shall have received for the ratable account of the Banks an amendment fee equal to 0.10% of each Bank's Commitment.

If this Amendment becomes effective, the changes in the Euro-Dollar Margin and Applicable Commitment Fee Percentage shall take effect on April 7, 2005 and on each day thereafter, but any payment of interest or fees due on or after April 7, 2005 with respect to any amounts owing for any period prior thereto shall be computed on the basis of the Euro-Dollar Margin and Applicable Commitment Fee Percentage, as applicable, in effect prior to such effectiveness.

4.1. 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.

4.2. 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.

4.3. 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.

4.4. 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/ Robert P. Armiak

Name: Robert P. Armiak

Title: Sr. VP., Treasurer

ADS ALLIANCE DATA SYSTEMS, INC., as a
Guarantor

By: /s/ Robert P. Armiak

Name: Robert P. Armiak

Title: Sr. VP., Treasurer

HARRIS TRUST AND SAVINGS BANK,
individually, as Letter of Credit Issuer and
as Administrative Agent

By: /s/ Peter Stack

Name: Peter Stack

Title: Director

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[Third Amendment 364-Day]

SUNTRUST BANK

By: /s/ Nora G. Brown

Name: Nora G. Brown

Title: Vice President

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[Third Amendment 364-Day]

WACHOVIA BANK, N.A.

By: /s/ Michael Romanzo

Name: Michael Romanzo, CFA

Title: Vice President

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[Third Amendment 364-Day]

JPMORGAN CHASE BANK

By: /s/ Mike Lister

Name: Mike Lister

Title: Senior Vice President

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[Third Amendment 364-Day]

HUNTINGTON NATIONAL BANK

By: /s/ Steven P. Clemens

Name: Steven P. Clemens

Title: Vice President

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[Third Amendment 364-Day]

CREDIT SUISSE FIRST BOSTON
acting through its Cayman Islands Branch

By: /s/ [ILLEGIBLE] _____
Name: [ILLEGIBLE]
Title: Director

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

US BANK NATIONAL ASSOCIATION

By: /s/ David F. Higbee

Name: David F. Higbee

Title: Vice President

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[Third Amendment 364-Day]

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Clifford F. Cho

Name: Clifford F. Cho

Title: Vice President

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[Third Amendment 364-Day]

FIFTH THIRD BANK, an Ohio banking
corporation

By: /s/ Kristie L. Nicolosi

Name: Kristie L. Nicolosi

Title: Assistant Vice President

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[Third Amendment 364-Day]

BARCLAYS BANK PLC

By: /s/ Allison McGuigan

Name: Allison McGuigan

Title: Associate Director

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[Third Amendment 364-Day]

BANK HAPOLIM

By: /s/ James P. Surless /s/ Laura Anne Raffa
Name: James P. Surless Laura Anne Raffa
Title: Vice President Executive Vice President &
Corporate Manager

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[Third Amendment 364-Day]

**SECOND AMENDMENT TO
CREDIT AGREEMENT (CANADIAN)**

This Second Amendment to Credit Agreement (Canadian) (this "*Amendment*") is dated as of April 7, 2005 by and among Loyalty Management Group Canada Inc. (the "*Borrower*"), the Guarantors party hereto, the Banks party hereto (including the Withdrawing Bank, as defined below), Bank of Montreal, as Letter of Credit Issuer and Harris Trust and Savings Bank, as Administrative Agent.

WITNESSETH:

WHEREAS, the Borrower, the Guarantors, the Banks, and the Administrative Agent have heretofore executed and delivered a Credit Agreement (Canadian) dated as of April 10, 2003 (as amended by the First Amendment thereto dated as of October 21, 2004, the "*Credit Agreement*"); and

WHEREAS, the Borrower, the Guarantors, the Banks and the Administrative Agent desire to amend the Credit Agreement to (i) extend the Maturity Date to April 3, 2008, (ii) reduce the Commitments of the Banks by \$15,000,000, (iii) to release the Withdrawing Bank from its obligations and all liabilities under the Credit Agreement and (iv) and to make certain other amendments to the Credit Agreement as set forth herein;

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

- 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 April 3, 2008.

- The pricing grid set forth in Appendix I to the Credit Agreement is hereby amended in its entirety and as so amended shall read as follows:

Status	Level I	Level II	Level III
Senior Leverage Ratio	<1.00	³ 1.00<1.50	³ 1.50
Euro-Dollar Margin and Euro-Canadian Dollar Margin	0.50%	0.75%	1.00%
Applicable Commitment Fee Percentage	.10%	.125%	.15%

3. The Borrower, the Guarantors and the Banks hereby agree that from and after the Effective Time the Total Commitments of the Banks shall be reduced by \$15,000,000, with Canadian Imperial Bank of Commerce (the "Withdrawing Bank") reducing its Commitment to \$0. Accordingly, the Commitments of the Banks set forth on Schedule I to the Credit Agreement are hereby amended in their entirety and as so amended shall be as set forth on Schedule I to this Amendment. Subject to satisfaction of the conditions precedent contained in paragraph 4 hereof, the Withdrawing Bank shall cease to be a party to the Credit Agreement from and after the Effective Time. From and after the Effective Time, the Withdrawing Bank shall, except as provided below, relinquish its rights and shall immediately be released from its obligations and all liabilities under the Credit Agreement. Notwithstanding the foregoing, the obligations of the Borrower and the Guarantors to the Withdrawing Bank contained in the Credit Agreement which by the terms of the Credit Agreement survive the termination of the Credit Agreement shall survive the occurrence of the Effective Time.

4. This Amendment shall become effective as of the opening of business on April 7, 2005 (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) opinions of counsel to the Borrower and Guarantor in form reasonably acceptable to the Administrative Agent and covering such matters relating to the transactions contemplated hereby as the Administrative Agent or the Required Banks may reasonably request; and

(d) the Administrative Agent shall have received for the ratable account of the Banks an amendment fee equal to 0.10% of each Bank's Commitment.

If this Amendment becomes effective, the changes in the Euro-Dollar Margin, Euro-Canadian Dollar Margin and Applicable Commitment Fee Percentage shall take effect on April 7, 2005 and on each day thereafter, but any payment of interest or fees due on or after April 7, 2005 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 Commitment Fee Percentage, as applicable, in effect prior to such effectiveness.

5.1. 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.

5.2. 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.

5.3. 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.

5.4. 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.

LOYALTY MANAGEMENT GROUP CANADA INC., as Borrower

By /s/ Robert P. Armiak
Name Robert P. Armiak
Title Sr VP., Treasurer

ALLIANCE DATA SYSTEMS CORPORATION, as a
Guarantor

By /s/ Robert P. Armiak
Name Robert P. Armiak
Title Sr VP., Treasurer

ADS ALLIANCE DATA SYSTEMS, INC., as a Guarantor

By /s/ Robert P. Armiak
Name Robert P. Armiak
Title Sr VP., Treasurer

[Second Amendment Canadian]

HARRIS TRUST AND SAVINGS BANK, as Administrative Agent

By /s/ [ILLEGIBLE]
Name [ILLEGIBLE]
Title DIRECTOR

[Second Amendment Canadian]

BANK OF MONTREAL, individually and as Letter of Credit Issuer

By /s/ Ben Clallella
Name Ben Clallella
Title Vice President

[Second Amendment Canadian]

JPMORGAN CHASE BANK

By /s/ Mike Lister
Name Mike Lister
Title Senior Vice President

[Second Amendment Canadian]

CANADIAN IMPERIAL BANK OF COMMERCE, as a Withdrawing Bank

By /s/ GERALD GIRARDI
Name GERALD GIRARDI
Title EXECUTIVE DIRECTOR
CIBC WORLD MARKETS CORP., AS AGENT

By _____
Name _____
Title _____

[SECOND AMENDMENT CANADIAN]

SCHEDULE I

BANK	AMOUNT
Bank of Montreal	\$ 15,000,000
JPMorgan Chase Bank	\$ 20,000,000
TOTAL	\$ 35,000,000