



**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): May 25, 2006**

**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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## **TABLE OF CONTENTS**

[ITEM 7.01. Regulation FD Disclosure](#)

[ITEM 9.01. Financial Statements and Exhibits](#)

[SIGNATURES](#)

[IR Update](#)

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[Table of Contents](#)

**ITEM 7.01. Regulation FD Disclosure**

On May 25, 2006, Alliance Data Systems Corporation provided to market analysts an IR Update announcing that through its Epsilon business it has signed a multi-year contract renewal and expanded agreement with the American Association of Retired People (“AARP”). A copy of this IR Update is attached hereto as Exhibit 99.1.

**ITEM 9.01. Financial Statements and Exhibits**

(d) Exhibits

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.1	IR Update dated May 25, 2006 announcing a multi-year renewal agreement with AARP.

*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, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alliance Data Systems Corporation

Date: May 25, 2006

By: /s/ Edward J. Heffernan

Edward J. Heffernan  
Executive Vice President and  
Chief Financial Officer

**EXHIBIT INDEX**

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
99.1	IR Update dated May 25, 2006 announcing a multi-year renewal agreement with AARP.

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May 25, 2006

**ALLIANCE DATA'S EPSILON SIGNS MULTI-YEAR RENEWAL, EXPANSION AGREEMENT WITH AARP**

- Alliance Data Systems Corporation today announced that its Epsilon business has signed a multi-year contract renewal and expanded agreement with one of its largest clients, AARP.
- Under terms of the agreement, Epsilon will continue providing database, consulting, and infrastructure services geared toward identifying and acquiring new AARP members.
- Over the last several years, Epsilon has provided AARP with services including data/database management, list management, and analytics. Under the expanded agreement, Epsilon will develop marketing infrastructure and processes geared toward improving the performance and efficiencies of AARP's prospecting efforts.
- AARP has been a client of Epsilon since 1980 and is one of the nation's largest non-profit organizations, serving the interests and needs of people 50+ and its 36 million members.