

**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                                 |           |
|--|-----------|
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|--|--|--|--|--|--|---|--|--|
| 1. Name and Address of Reporting Person*<br><u>BENVENISTE LAWRENCE M</u><br><hr/> (Last) (First) (Middle)<br><u>17655 WATERVIEW PARKWAY</u><br><hr/> (Street)<br><u>DALLAS TX 75252-8012</u><br><hr/> (City) (State) (Zip) |  |  | 2. Issuer Name and Ticker or Trading Symbol<br><u>ALLIANCE DATA SYSTEMS CORP [ ADS ]</u> |  |  | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br><input checked="" type="checkbox"/> Director 10% Owner<br>Officer (give title below) Other (specify below) |  |  |
|  |  |  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>06/12/2006</u>                    |  |  |   |  |  |
|  |  |  | 4. If Amendment, Date of Original Filed (Month/Day/Year)                                 |  |  |   |  |  |
| 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>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                    | 06/12/2006                           |  | A <sup>(1)</sup>               |   | 458   | A          | (1)   | 1,695 <sup>(2)</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) |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|--|--|---|--|-------|
|  |  |                                      |  | Code                           | V | (A)  | (D) | Date Exercisable   | Expiration Date |   |  |  |   |  | Title |
| Employee Stock Option (Right to Buy)       | \$53.54  | 06/12/2006                           |  | A <sup>(3)</sup>               |   | 2,512  |     | (3)  | 06/12/2016      | Common Stock  | 2,512                                      | (3)  | 9,783 <sup>(4)</sup>                                      | D  |       |

**Explanation of Responses:**

- The new grant is for 458 shares of common stock, subject to a restriction on resale until one year after the director's service on the Company's board of directors terminates.
- The total amount of securities beneficially owned includes: (a) 621 shares of restricted stock granted 7/1/04; (b) 616 shares of restricted stock granted 6/10/05; and (c) the new grant for 458 shares.
- The new option is for 2,512 shares, which will vest in June 2007.
- The total number of derivative securities beneficially owned includes: (a) an option for 3,724 shares granted 7/1/04, of which 1,228 shares vested on 7/1/05, 1,229 shares will vest on 7/1/06, and 1,267 shares will vest in June 2007; (b) an option for 3,547 shares granted 6/10/05, of which 1,773 shares vested on 6/10/06 and 1,774 shares will vest in June 2007; and (c) the new option for 2,512 shares.

**Remarks:**

Leigh Ann K. Epperson,  
Attorney in Fact

06/14/2006

\*\* 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.