
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 23, 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 8.01. Other Events.

Attached as Exhibit 99.1 is a letter dated May 23, 2005 sent by Alliance Data Systems Corporation to Institutional Shareholder Services (“ISS”) to update certain information relating to the company’s outstanding capital stock and options as of March 31, 2005.

ITEM 9.01. Financial Statements and Exhibits.

- (a) *Financial statements of businesses acquired.* None.
- (b) *Pro Forma Financial Information.* None.
- (c) *Exhibits.*

<u>Exhibit Number</u>	<u>Description</u>
99.1*	Letter dated May 23, 2005 to Institutional Shareholder Services.

*Filed herewith

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 23, 2005

By: /s/ Edward J. Heffernan
Edward J. Heffernan
Executive Vice President and Chief Financial Officer



May 23, 2005

Institutional Shareholder Services
2099 Gaither Road, Suite 501
Rockville, MD 20850-4045

To whom it may concern:

Please be advised that as of March 31, 2005, Alliance Data Systems Corporation (the “Company”) had 83,085,096 shares of common stock outstanding and 8,039,287 shares of common stock subject to outstanding options at a weighted average exercise price of \$26.03 per share and a weighted average remaining term of 7.71 years.

The following table provides information as of March 31, 2005 with respect to shares of the Company’s common stock that may be issued under its 2003 Long Term Incentive Plan and the Amended and Restated Stock Option and Restricted Stock Plan, and does not include any additional shares that may be issuable pursuant to the Employee Stock Purchase Plan and the proposed 2005 Long Term Incentive Plan, the Executive Annual Incentive Plan or the Amended and Restated Employee Stock Purchase Plan, which plans will be voted on at the Company’s 2005 annual meeting of stockholders:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	8,039,287 ¹	\$ 26.03	499,719 ²
Equity compensation plans not approved by security holders.	None	N/A	None
Total	8,039,287 ¹	\$ 26.03	499,719 ²

(1) Does not include 480,462 of granted but unvested time-based restricted stock and 153,086 of granted but unvested performance-based restricted stock.

(2) Does not include 1,037,221 shares available for future issuance under the Alliance Data Systems Corporation Amended and Restated Employee Stock Purchase Plan.

We appreciate your attention to this matter. Please do not hesitate to call me if you have any questions or comments regarding the foregoing. Thank you.

Best regards,

/s/ ED HEFFERNAN

Edward J. Heffernan

Chief Financial Officer

7655 Waterview Parkway
Dallas, Texas 75252

T 972 348 5100

www.alliancedatasystems.com