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**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 15, 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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**ITEM 7.01. Regulation FD Disclosure**

On May 15, 2006, Alliance Data Systems Corporation provided to market analysts an IR Update announcing an expanded relationship with Citigroup. A copy of this IR Update is attached hereto as Exhibit 99.1.

**ITEM 9.01. Financial Statements and Exhibits**

(d) Exhibits

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
99.1	IR Update dated May 15, 2006 announcing an expanded relationship with Citigroup.

*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 15, 2006

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

## EXHIBIT INDEX

**EXHIBIT  
NUMBER**

**DESCRIPTION**

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99.1 IR Update dated May 15, 2006 announcing an expanded relationship with Citigroup.



May 15, 2006

**ALLIANCE DATA'S EPSILON EXPANDS RELATIONSHIP WITH  
CITIGROUP**

- Alliance Data announced today that it has signed multi-year agreements with Citicorp Credit Services, Inc.(CCSI), whereby its Epsilon Interactive business unit (formerly Bigfoot Interactive and DoubleClick Email Solutions) will provide permission-based email marketing services for CCSI's Citi Cards division.
  - A multi-year agreement has also been signed for consulting services with Citibank Online (part of Citibank NA).
  - These agreements follow Alliance Data's announcement on March 2<sup>nd</sup> that its Epsilon unit signed an agreement to provide Citibank, Inc.(Citi) a comprehensive loyalty solution to support Citi's points-based customer rewards program, the ThankYou Network<sup>SM</sup>.
  - Under terms of the new agreements, Epsilon Interactive will provide an integrated permission-based email marketing solution geared toward optimizing Citi Cards' customer relationships through timely, relevant email communications. These communications are developed based on customer preferences, behaviors and service needs. Epsilon Interactive will also provide strategic consulting services for Citibank Online to improve customers' overall online banking and communication experiences.
  - Currently Citi Cards has more than 120 million credit and charge accounts across MasterCard, Visa and private label brands in North America.
  - Through these agreements, Epsilon Interactive will provide Citi Cards the following services:
    - Marketing automation services, which include migrating Citi Cards' multiple email marketing platforms onto Epsilon Interactive's flexible, proprietary email technology platform.
    - Campaign development and deployment services, including managing Citi Cards' more than 100 messaging streams emailed to customers, such as "statement is ready" alerts and balance transfer confirmations. Epsilon Interactive's marketing automation solutions will enable millions of messages to be triggered each month based on individual customer profiles and behaviors.
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- Strategic consulting services, including providing counsel around increasing card usage, and adoption and usage of online customer service to further optimize customer relationships while increasing revenue and reducing costs.
- For Citibank Online, Epsilon Interactive will provide consulting services including a customer experience assessment of Citi's online banking application process, email communication streams, creative messaging and other counsel geared toward maximizing customer retention and use of the online banking services.

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