

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 * TUCKER DWAYNE H _____ (Last) (First) (Middle) 17655 WATERVIEW PARKWAY _____ (Street) DALLAS TX 75252-8012 _____ (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol ALLIANCE DATA SYSTEMS CORP [ADS]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) Executive Vice President / Pres. Utility/Transaction Svcs		
			3. Date of Earliest Transaction (Month/Day/Year) 02/14/2006					
			4. If Amendment, Date of Original Filed (Month/Day/Year)					
			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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	02/14/2006		M		8,782	A	\$15	99,590	D	
Common Stock	02/14/2006		S		8,782	D	\$43.6717	90,808	D	
Common Stock	02/14/2006		S		200	D	\$43.55	90,608	D	
Common Stock	02/14/2006		S		100	D	\$43.57	90,508	D	
Common Stock	02/14/2006		S		700	D	\$43.58	89,808	D	
Common Stock	02/14/2006		S		600	D	\$43.59	89,208	D	
Common Stock	02/14/2006		S		800	D	\$43.6	88,408	D	
Common Stock	02/14/2006		S		100	D	\$43.61	88,308	D	
Common Stock	02/14/2006		S		100	D	\$43.62	88,208	D	
Common Stock	02/14/2006		S		100	D	\$43.64	88,108	D	
Common Stock	02/14/2006		S		200	D	\$43.65	87,908	D	
Common Stock	02/14/2006		S		4,989	D	\$43.66	82,919	D	
Common Stock	02/14/2006		S		600	D	\$43.67	82,319	D	
Common Stock	02/14/2006		S		400	D	\$43.68	81,919	D	
Common Stock	02/14/2006		S		2,500	D	\$43.7	79,419	D	
Common Stock	02/15/2006		M		13,736	A	\$15	93,155	D	
Common Stock	02/15/2006		S		13,736	D	\$43.4853	79,419 ⁽¹⁾	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					
Employee Stock Option (Right to Buy)	\$15	02/14/2006		M			8,782	(2)	08/31/2010	Common Stock	8,782	(2)	145,117	D
Employee Stock Option (Right to Buy)	\$15	02/15/2006		M			13,736	(2)	08/31/2010	Common Stock	13,736	(2)	131,381 ⁽³⁾	D

Explanation of Responses:

1. The total amount of securities beneficially owned includes (a) 1,379 shares acquired through the Company employee stock purchase program; (b) 25,366 shares acquired by the exercising of vested employee stock options; (c) 5,893 shares of performance-based restricted stock granted 2/3/05, of which 0 shares are vested; (d) 3,949 out of an original 5,893 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; (e) 11,852 out of an original 17,778 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; (f) 1,667 shares of performance-based restricted stock granted 3/31/05, of which 0 shares are vested; (g) 1,117 out of an original 1,667 shares of time-based restricted stock granted 3/31/05, of which 0 shares are vested; (h) 7,000 shares of performance-based restricted stock granted 3/31/05, of which 0 shares are vested; (continued below)

2. This is an employee stock option grant that is fully vested.

3. The total number of derivative securities beneficially owned includes: (a) an option for 21,839 out of an original 115,000 shares granted 9/1/00, which is fully vested; (b) an option for 1 out of an original 81,917 shares granted 6/8/01, which is fully vested; (c) an option for 33,171 shares granted 6/24/03, of which 21,892 shares are fully vested and 11,279 shares will vest on 6/23/06; (d) an option for 33,682 shares granted 2/2/04, of which 22,230 shares are fully vested and 11,452 shares will vest on 2/2/07; (e) an option for 16,370 shares granted 2/3/05, of which 5,402 shares vested on 2/3/06, 5,402 shares will vest on 2/3/07 and 5,566 shares will vest on 2/3/08; (f) an option for 4,604 shares granted 3/31/05, of which 1,519 shares vested on 2/3/06, 1,519 shares will vest on 2/3/07 and 1,566 shares will vest on 2/3/08; (continued below)

Remarks:

(1) Continued from above: (i) 3,000 shares of time-based restricted stock granted 3/31/05, of which 0 shares are vested; (j) 9,098 performance-based restricted stock units granted 2/13/06, of which 0 shares are vested; and (k) 9,098 time-based restricted stock units granted 2/13/06, of which 0 shares are vested. (3) Continued from above: and (g) an option for 21,714 shares granted 2/13/06, of which 7,165 shares will vest on 2/13/07, 7,166 shares will vest on 2/13/08 and 7,383 shares will vest on 2/13/09.

Leigh Ann K. Epperson,
Attorney in Fact

02/16/2006

** 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.