
UNITED STATES
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):

February 17, 2009

Alliance Data Systems Corporation

(Exact name of registrant as specified in its charter)

Delaware

001-15749

31-1429215

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

17655 Waterview Parkway, Dallas, Texas

75252

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(972) 348-5100

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing 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 (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In a February 18, 2009 press release, Alliance Data Systems Corporation (the "Company") announced that on February 17, 2009 its board of directors approved a leadership succession plan, effective March 1, 2009, pursuant to which J. Michael Parks will remain chairman of the board of directors and Edward J. Heffernan will become president and chief executive officer of the Company. Mr. Parks will continue to serve as an executive officer of the Company and will stand for re-election as a Class III director in June 2009. The board of directors also appointed Michael D. Kubic as interim chief financial officer of the Company while the Company undertakes a search for a chief financial officer. The Company also announced that, effective March 1, 2009, John W. Scullion will no longer serve as president and chief operating officer of the Company.

Mr. Parks, age 58, joined the Company as chairman of the board of directors and chief executive officer in March 1997. From March 1997 until October 2006, Mr. Parks also served as president of the Company. Before joining the Company, Mr. Parks was president of First Data Resources, the credit card processing and billing division of First Data Corporation, from December 1993 to July 1994. Mr. Parks joined First Data Corporation in July 1976, where he gained increasing responsibility for sales, service, operations and profit and loss management during his 18 years of service. Mr. Parks holds a Bachelor's degree from the University of Kansas. Mr. Parks has no family relationships with executive officers or directors of the Company.

Mr. Heffernan, age 46, joined the Company in 1998 and became an executive vice president and chief financial officer in May 2000. Before joining the Company, he served as vice president, mergers and acquisitions, for First Data Corporation from October 1994 to May 1998. Prior to that, he served as vice president, mergers and acquisitions for Citicorp from July 1990 to October 1994, and prior to that he served in corporate finance at Credit Suisse First Boston from June 1986 until July 1990. Mr. Heffernan was a director and chair of the audit committee of VALOR Communications Group, Inc. from 2005 until its merger into Windstream Corporation in 2006. Mr. Heffernan holds a Bachelor's degree from Wesleyan University and an MBA from Columbia Business School. Mr. Heffernan has no family relationships with executive officers or directors of the Company.

Mr. Kubic, age 53, joined the Company as senior vice president, corporate controller and chief accounting officer in October 1999. Before joining the Company, he served as vice president of finance for Kevco, Inc. from March 1999 to October 1999. Prior to that he served as vice president and corporate controller for BancTec, Inc. from September 1993 to February 1998. Mr. Kubic holds a Bachelor's degree from the University of Massachusetts and is a Certified Public Accountant in the State of Texas. Mr. Kubic has no family relationships with executive officers or directors of the Company.

A copy of the Company's February 18, 2009 press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective as of February 17, 2009, the Company's Second Amended and Restated Bylaws are amended in connection with the leadership succession transition to separate the previously combined chairman and chief executive officer positions and, given that separation, to specify the duties of the Company's chairman, chief executive officer and president. The Company's Third Amendment to the Second Amended and Restated Bylaws is filed as Exhibit 3.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

3.2 Third Amendment to the Second Amended and Restated Bylaws of Alliance Data Systems Corporation.

99.1 Press Release announcing changes to executive management.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alliance Data Systems Corporation

February 18, 2009

By: *Edward J. Heffernan*

Name: Edward J. Heffernan

Title: Executive Vice President and Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
3.2	Third Amendment to the Second Amended and Restated Bylaws of Alliance Data Systems Corporation.
99.1	Press Release announcing changes to executive management.

**THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED
BYLAWS
OF
ALLIANCE DATA SYSTEMS CORPORATION
a Delaware corporation
(the “Company”)
(Adopted as of February 17, 2009)**

Sections 6.1, 6.1.1, 6.1.2 and 6.1.3 of the Second Amended and Restated Bylaws of Alliance Data Systems Corporation, as previously amended by the First Amendment to the Second Amended and Restated Bylaws and the Second Amendment to the Second Amended and Restated Bylaws, are hereby amended and restated in their entirety to read as follows:

Section 6.1 ELECTED OFFICERS. The Board shall elect a chairman of the board, a chief executive officer, a treasurer and a secretary (collectively, the “Required Officers”) having the respective duties enumerated below, and may elect such other officers having the titles and duties set forth below that are not reserved for the Required Officers or such other titles and duties as the Board may by resolution from time to time establish:

Section 6.1.1 CHAIRMAN OF THE BOARD. The chairman of the board shall be the ranking executive officer of the Company. The chairman of the board shall preside when present at all meetings of the stockholders and the Board. The chairman of the board shall advise and counsel the chief executive officer and other officers and shall exercise such powers and perform such duties as shall be assigned to or required of the chairman of the board from time to time by the Board or these Bylaws. The chairman of the board may execute bonds, mortgages and other contracts requiring a seal under the seal of the Company, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Company. The chairman of the board may delegate all or any of his or her powers or duties to the chief executive officer, if and to the extent deemed by the chairman of the board to be desirable or appropriate.

Section 6.1.2 CHIEF EXECUTIVE OFFICER. The chief executive officer shall have general supervision of the affairs of the Company and general control of all of its business, subject to the supervision of the chairman of the board and ultimate authority of the Board, and shall see that all policies, orders and resolutions of the Board are carried into effect. The chief executive officer may execute bonds, mortgages and other contracts requiring a seal under the seal of the Company, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Company. In the absence of the chairman of the board, the chief executive officer shall preside when present at all meetings of the stockholders and shall perform the duties and exercise the powers of the chairman of the board.

Section 6.1.3 PRESIDENT. The president shall be the chief operating officer of the Company and shall, subject to the supervision of the chairman of the board and the Board, have general management and control of the day-to-day business operations of the Company. The president shall put into operation the business policies of the Company as determined by the chief executive officer and the Board and as communicated to the president by such officer or body. The president shall make recommendations to the chief executive officer on all matters that would normally be reserved for the final executive responsibility of the chief executive officer or, if the president is also the chief executive officer, the president shall make such recommendations to the chairman of the board.

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ALLIANCE DATA ANNOUNCES LEADERSHIP SUCCESSION TRANSITION

Board of Directors Appoints Edward J. Heffernan to Succeed J. Michael Parks as Chief Executive and Serve as President, Effective March 1, 2009

Dallas, TX February 18, 2009 – Alliance Data Systems Corporation (NYSE: ADS), a leading provider of loyalty and marketing solutions derived from transaction-rich data, today announced its Board of Directors has approved a leadership succession transition.

J. Michael Parks, currently chairman and chief executive officer, will retain the role of chairman, while Edward J. Heffernan, currently executive vice president and chief financial officer, has been appointed president and chief executive officer, effective March 1.

“Mike has been in the dual role of chairman and chief executive officer for a dozen highly successful years,” said Rob Minicucci, the Board’s lead independent director. “Three years ago at Mike’s suggestion, the Board began a thorough and diligent succession planning process to allow him to be in a position to transition away from the day to day functions and focus, as chairman, on longer term strategy and leadership development.”

Mike Parks commented, “The president and chief executive officer position is a natural step for Ed, who, as part of his role, will continue to serve as the primary voice and face for Alliance Data with the investor community and Wall Street. His experience regarding capital markets, liquidity, mergers and acquisitions combined with helping our team build and run Alliance Data over the last 10 years, uniquely qualify him for this position and will provide for a smooth and seamless transition.”

The Alliance Data Story

The Company is a premier provider of transactional-based marketing and loyalty solutions. These solutions consist of coalition programs such as the AIR MILES[®] Reward Program in Canada; individual transaction-based loyalty and marketing programs as offered by Epsilon; and individual transaction-based loyalty and marketing programs that include a credit component such as those offered by its private label credit business in the U.S.

The Company developed and has maintained a business model which focuses on growing and defensible markets and offers strong organic growth potential along with highly visible and predictable results and strong free cash flow generation. As support for this model, the Company has achieved 31 consecutive quarters since its IPO of meeting or beating Wall Street estimates.

Parks and Heffernan have worked together for more than a decade. Since 1998, Alliance Data has grown from \$450 million to over \$2 billion in revenues in 2008, over a fourfold increase representing an average growth rate of 16 percent per year. Additionally, EBITDA has grown from \$67 million to over \$650 million, virtually a tenfold increase representing an average rate of 25 percent per year for 10 years. And finally, its employee base has grown to more than 7,000 associates worldwide.

The Company was privately held until June of 2001 at which time it went public on the New York Stock Exchange at \$12 per share. Since that time, the stock has gained well over 200 percent, while during the same period the S&P Index declined over 30 percent. The Company has provided an average 17 percent annual return to stockholders.

Parks joined Alliance Data on March 1st, 1997 as chairman and chief executive officer – a role he has filled for twelve years. Prior to Alliance Data, he was president of First Data Resources, the credit card processing arm of First Data Corporation. Prior to that, Parks served in a number of roles at First Data during his expansive career spanning 18 years of service. He holds a B.A. from University of Kansas.

Heffernan joined Alliance Data in 1998 and spent two years focusing on mergers and acquisitions and Alliance Data’s IPO. He was then named chief financial officer in 2000, a position he has held for the past eight years. Prior to Alliance Data, Heffernan worked primarily in merger and acquisition roles at First Data Corporation and Citicorp as well as in finance at Credit Suisse First Boston. He was a director and served as chair of the audit committee of VALOR Communications Group until its merger into Windstream Corporation in 2006. He holds a B.A. from Wesleyan and an M.B.A. from Columbia.

As chairman, Parks will guide the Company’s corporate strategy and focus on leadership development. Heffernan will have oversight of the Company’s three businesses and will continue to direct financial operations and investor relations for the Company.

It was also announced that Michael D. Kubic, senior vice president, corporate controller and chief accounting officer will act as interim chief financial officer while a search is conducted.

About Alliance Data

Alliance Data (NYSE: ADS) is a leading provider of loyalty and marketing solutions derived from transaction-rich data. The Company manages more than 107 million consumer relationships for some of North America's most recognizable companies. Through the creation and deployment of customized solutions that change consumer behavior, Alliance Data enables its clients to create and enhance customer loyalty to build stronger, mutually beneficial relationships with their customers. Headquartered in Dallas, Alliance Data employs approximately 7,000 associates at more than 50 locations worldwide. Alliance Data is a leading provider of marketing-driven credit solutions, and is the parent company of Epsilon®, a leading provider of multi-channel, data-driven technologies and marketing services, and LoyaltyOne™, which owns and operates the AIR MILES® Reward Program, Canada's premier coalition loyalty program. For more information about the company, visit its web site, www.AllianceData.com.

Alliance Data's Safe Harbor Statement/Forward Looking Statements

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may use words such as "anticipate," "believe," "estimate," "expect," "intend," "predict," "project" and similar expressions as they relate to us or our management. When we make forward-looking statements, we are basing them on our management's beliefs and assumptions, using information currently available to us. Although we believe that the expectations reflected in the forward-looking statements are reasonable, these forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed in our filings with the Securities and Exchange Commission.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Any forward-looking statements contained in this presentation reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. These risks, uncertainties and assumptions include those made with respect to and any developments related to the termination of the proposed merger with an affiliate of The Blackstone Group, including risks and uncertainties arising from actions that the parties to the merger agreement or third parties may take in connection therewith. We have no intention, and disclaim any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this presentation regarding Alliance Data Systems Corporation's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K for the most recently ended fiscal year. Risk factors may be updated in Item 1A in each of the Company's Quarterly Reports on Form 10-Q for each quarterly period subsequent to the Company's most recent Form 10-K.

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