

ALLIANCE DATA SYSTEMS CORP

Form 4

February 15, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
TUCKER DWAYNE H

2. Issuer Name **and** Ticker or Trading
Symbol
ALLIANCE DATA SYSTEMS
CORP [ADS]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
17655 WATERVIEW PARKWAY

3. Date of Earliest Transaction
(Month/Day/Year)
02/13/2006

____ Director ____ 10% Owner
____X____ Officer (give title below) ____X____ Other (specify below)
Executive Vice President / Pres.
Utility/Transaction Svcs

(Street)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

DALLAS, TX 75252-8012

(City) (State) (Zip)

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. 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)
Common Stock	02/13/2006		A ⁽¹⁾	9,098 A <u>1</u>	81,710	D	
Common Stock	02/13/2006		A ⁽²⁾	9,098 A <u>2</u>	90,808 ⁽³⁾	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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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 Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 43.01	02/13/2006		A ⁽⁴⁾	21,714	⁽⁴⁾ 02/13/2016	Common Stock 21,714

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
TUCKER DWAYNE H 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012	Executive Vice President Pres. Utility/Transaction Svcs

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 02/15/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * 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).
 - (1) The new grant is for 9,098 shares of common stock represented by performance-based restricted stock units, which may be adjusted up or down at the time the restrictions lapse. The restrictions may lapse based on the Company's relative cash earnings per share growth as compared to the S&P 500 GAAP EPS growth measured as of 12/31/06.
 - (2) The new grant is for 9,098 shares of common stock represented by time-based restricted stock units. The restrictions will lapse on 3,002 shares on each of 2/13/07 and 2/13/08, and on 3,094 shares on 2/13/09.
 - (3) The total amount of securities beneficially owned includes (a) 1,379 shares acquired through the Company employee stock purchase program; (b) 31,230 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) 5,339 out of an original 5,893 shares of time-based restricted stock granted 2/3/05, of which 1,390 shares are vested; (e) 15,617 out of an original 17,778 shares of time-based restricted stock granted 2/3/05, of which 3,765 shares are vested; (f) 1,667 shares of performance-based restricted stock granted 3/31/05, of which 0 shares are vested; (g) 1,487 out of an original 1,667 shares of time-based restricted stock granted 3/31/05, of which 370 shares are vested; (h) 7,000 shares of performance-based restricted stock granted 3/31/05, of which 0 shares are vested; (continued below)
 - (4)

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The new option is for 21,714 shares, 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.

- (5) The total number of derivative securities beneficially owned includes: (a) an option for 44,357 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; and (g) the new option for 21,714 shares.

Remarks:

- (3) Continued from above: (i) 3,000 shares of time-based restricted stock granted 3/31/05, of which 0 shares are vested; (j) the

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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