

ALLIANCE DATA SYSTEMS CORP
 Form 4
 February 16, 2006

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

OMB APPROVAL

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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

(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
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/14/2006

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

DALLAS, TX 75252-8012

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

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

(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. 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
Common Stock	02/14/2006		S		8,782	D	\$ 43.6717 90,808
Common Stock	02/14/2006		S		200	D	\$ 43.55 90,608
Common Stock	02/14/2006		S		100	D	\$ 43.57 90,508
Common Stock	02/14/2006		S		700	D	\$ 43.58 89,808

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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

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

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(9-02)

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)	\$ 15	02/14/2006	M	8,782	(2)	08/31/2010	Common Stock	8,782
Employee Stock Option (Right to Buy)	\$ 15	02/15/2006	M	13,736	(2)	08/31/2010	Common Stock	13,736

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

02/16/2006

**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).

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.

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

(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,

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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