ALLIANCE DATA SYSTEMS CORP

Form 4

December 13, 2005

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

OMB APPROVAL

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5. Relationship of Reporting Person(s) to

if no longer subject to Section 16. Form 4 or Form 5

obligations

Check this box

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

12/09/2005

Stock

2. Issuer Name and Ticker or Trading HEFFERNAN EDWARD J Issuer Symbol **ALLIANCE DATA SYSTEMS** (Check all applicable) CORP [ADS] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner X_ Officer (give title _X_ Other (specify (Month/Day/Year) below) below) 17655 WATERVIEW PARKWAY 12/09/2005 Executive Vice President / Chief Financial Officer (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting DALLAS, TX 75252-8012 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of Securities Form: Direct Indirect Beneficial (Instr. 3) Code (D) Beneficially (D) or (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price Common

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

 $F^{(1)}$

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

45,084 ⁽²⁾

D

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

2,161

D

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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. Transact Code (Instr. 8)		onNumber Expiration Date of (Month/Day/Year) Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3,		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	
				Code V	' (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address

Pint 1007 Out 0005

Director 10% Owner Officer Other

HEFFERNAN EDWARD J 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012

Executive Vice President Chief Financial Officer

9. Nu Deriv Secu

Owner Follo Repo Trans (Insti

Signatures

Leigh Ann K. Epperson, Attorney in Fact 12/13/2005

**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) 2,161 shares were withheld by the Company to satisfy the Reporting Person's tax withholding obligation upon the vesting of restricted stock.
- The total number of securities beneficially owned includes: (a) 15,545 shares acquired by the exercising of vested employee stock options; (b) 6,961 shares of performance-based restricted stock granted 2/3/05, of which 0 shares are vested; (c) 6,961 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; and (d) 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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