

ALLIANCE DATA SYSTEMS CORP
Form 4
February 07, 2005

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 *
UTAY ALAN M

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)
02/03/2005

____ Director
 Officer (give title below) _____ 10% Owner
 Other (specify below)
Executive Vice President & CAO / General Counsel, Secretary

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 Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	02/03/2005		A ⁽¹⁾	4,972 A (1)	40,311	D	
Common Stock	02/03/2005		A ⁽²⁾	4,972 A (2)	45,283	D	
Common Stock	02/03/2005		A ⁽³⁾	17,778 A (3)	63,061 (4)	D	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

SEC 1474 (9-02)

displays a currently valid OMB control number.

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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 41.32	02/03/2005		A ⁽⁵⁾	13,812	⁽⁵⁾ 02/03/2015	Common Stock	13,812

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
UTAY ALAN M 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Executive Vice President & CAO	General Counsel, Secretary

Signatures

Leigh Ann K. Epperson, Attorney
in Fact
Date: 02/07/2005

**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) The new grant is for 4,972 shares of performance-based restricted stock, which may be adjusted up or down at the time the restrictions lapse. The restrictions may lapse based on the performance of the Company relative to the S&P 500 measured as of 12/31/05.
 - (2) The new grant is for 4,972 shares of time-based restricted stock. The restrictions will lapse on 1,640 shares on each of 2/3/06 and 2/3/07, and on 1,692 shares on 2/3/08.
 - (3) The new grant is for 17,778 shares of time-based restricted stock. The restrictions on 5,926 shares will lapse on each of 12/9/05, 12/9/06, and 12/9/07.
 - (4) The total number of securities beneficially owned includes: (a) 869 shares acquired through the Company employee stock purchase plan; (b) 16,800 out of an original 28,000 shares of restricted stock granted 8/31/01, which is fully vested; (c) 13,211 shares acquired by the exercising of vested employee stock options; (d) 4,459 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are

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vested; (e) the new grant for 4,972 shares of performance-based restricted stock; (f) the new grant for 4,972 shares of time-based restricted stock; and (g) the new grant for 17,778 shares of time-based restricted stock.

- (5) The new option is for 13,812 shares, of which 4,557 shares will vest on each of 2/3/06 and 2/3/07 and 4,698 shares will vest on 2/3/08.

The total number of derivative securities beneficially owned includes: (a) an option for 29,900 out of an original 50,000 shares granted 8/30/01, which is fully vested; (b) an option for 30,000 out of an original 50,000 shares granted 9/26/02, of which 16,500 shares vested on each of 9/25/03 and 9/25/04 and 17,000 shares will vest on 9/25/05; (c) an option for 28,919 shares granted 6/24/03, of which 9,543 shares vested on 6/23/04, 9,543 shares will vest on 6/23/05 and 9,833 shares will vest on 6/23/06; (d) an option for 29,472 shares granted 2/2/04, of which 9,726 shares vested on 2/2/05, 9,726 shares will vest on 2/2/06 and 10,020 shares will vest on 2/2/07; and (e) the new option for 13,812 shares.

(6) 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.