

ALLIANCE DATA SYSTEMS CORP
 Form 4
 April 28, 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 *
 SCULLION JOHN W

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)

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

____ Director ____ 10% Owner
 Officer (give title below) Other (specify below)

17655 WATERVIEW PARKWAY

04/26/2005

Executive Vice President / President, Loyalty & Mktg Svcs

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

DALLAS, TX 75252-8012

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	04/26/2005		S		155	D	\$ 42.06 37,906
Common Stock	04/26/2005		S		5,100	D	\$ 41.97 32,806
Common Stock	04/26/2005		M		25,404	A	\$ 9.9 58,210
Common Stock	04/26/2005		S		3,000	D	\$ 41.9 55,210
Common Stock	04/26/2005		S		13,300	D	\$ 41.0338 41,910

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Common Stock	04/26/2005	S	2,104	D	\$ 41.9239	39,806	D
Common Stock	04/26/2005	S	7,000	D	\$ 41.0246	32,806 ⁽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)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Employee Stock Option (Right to Buy)	\$ 9.9	04/26/2005		M	25,404	⁽²⁾ 12/01/2008	Common Stock	25,404

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCULLION JOHN W 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Executive Vice President	President, Loyalty & Mktg Svcs

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

04/28/2005

**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).

The total number of securities beneficially owned includes: (a) 7,514 shares of performance-based restricted stock granted 2/3/05, of which 0 shares are vested; (b) 7,514 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; and (c) 17,778 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested.

(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 32,929 out of an original 83,333 shares granted on 12/1/1998, which is fully vested; (b) an option for 80,000 shares granted on 9/1/00, which is fully vested; (c) an option for 74,715 shares granted on 6/8/01, which is fully vested; (d) an option for 35,723 shares granted on 6/24/03, of which 11,789 shares vested on 6/23/04, 11,789 shares will vest on 6/23/05, and 12,145 shares will vest on 6/23/06; (e) an option for 34,735 shares granted on 2/2/04, of which 11,463 shares vested on 2/2/05, 11,463 shares will vest on 2/2/06 and 11,809 shares will vest on 2/2/07; and (f) an option for 20,872 shares granted 2/3/05, of which 6,887 shares will vest on each of 2/3/06 and 2/3/07 and 7,098 shares will vest on 2/3/08.

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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