ALLIANCE DATA SYSTEMS CORP

Form 4

February 11, 2005

FORM 4

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

OMB APPROVAL

OMB

Number: 3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

Section 16.
Form 4 or
Form 5
obligations
may continue.

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

burden hours per response... 0.5

Estimated average

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * TUCKER DWAYNE H			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
			ALLIANCE DATA SYSTEMS CORP [ADS]			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)	Director 10% OwnerX_ Officer (give titleX_ Other (specify		
17655 WATERVIEW PARKWAY			02/10/2005	below) below) Executive Vice President / President Transaction Services		
(Street) DALLAS, TX 75252-8012			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 Person		
(City)	(State)	(Zip)	Table I - Non-Darivetive Securities A	cauired Disposed of or Reneficially Owner		

(City)	(State)	Table Table	e I - Non-D	erivative S	Securi	ities Acqu	iired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date any (Month/Day/Year)		3. Transaction Code (Instr. 8)	4. Securities Acquired n(A) or Disposed of (D) (Instr. 3, 4 and 5)			Securities O Beneficially Found (I	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common Stock	02/10/2005		F <u>(1)</u>	1,028	D	\$ 39.99	60,908	D	
Common Stock	02/10/2005		M <u>(1)</u>	2,741	A	\$ 15	63,649	D	
Common Stock	02/10/2005		M	3,507	A	\$ 15	67,156 <u>(2)</u>	D	

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

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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. Transactio Code (Instr. 8)	5. Number omf 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	02/10/2005		M <u>(1)</u>	2,741	(3)	08/31/2010	Common Stock	2,741
Employee Stock Option (Right to Buy)	\$ 15	02/10/2005		M	3,507	(3)	08/31/2010	Common Stock	3,507

Reporting Owners

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

Signatures

Leigh Ann K. Epperson, Attorney in Fact 02/11/2005

**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) 1,028 shares and \$5.28 have been delivered to the Company in payment of the exercise price of 2,741 employee stock options.

(2)

Reporting Owners 2

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The total amount of securities beneficially owned includes: (a) 1,266 shares acquired through the Company employee stock purchase program; (b) 31,230 shares acquired by the exercising of vested employee stock options; (c) 5,096 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (d) 5,893 shares of performance-based restricted stock granted 2/3/05, of which 0 shares are vested; (e) 5,893 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested; and (f) 17,778 shares of time-based restricted stock granted 2/3/05, of which 0 shares are vested.

- (3) This is an employee stock option grant that is fully vested.
 - The total number of derivative securities beneficially owned includes: (a) an option for 108,752 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
- (4) 33,171 shares granted 6/24/03, of which 10,946 shares vested on 6/23/04, 10,946 shares will vest on 6/23/05, and 11,279 shares will vest on 6/23/06; (d) an option for 33,682 shares granted 2/2/04, of which 11,115 shares vested on 2/2/05, 11,115 shares will vest on 2/2/06 and 11,452 shares will vest on 2/2/07; and (e) an option for 16,370 shares granted 2/3/05, of which 5,402 shares will vest on each of 2/3/06 and 2/3/07 and 5,566 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. 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.