

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 *
BELTZ MICHAEL A

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 _____ 10% Owner
 Officer (give title below) Other (specify below)
Executive Vice President / President Utility Services

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⁾	5,893 A (1)	55,827	D	
Common Stock	02/03/2005		A ⁽²⁾	5,893 A (2)	61,720	D	
Common Stock	02/03/2005		A ⁽³⁾	17,778 A (3)	79,498 (4)	D	

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

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SEC 1474 (9-02)

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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. 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⁾	16,370	⁽⁵⁾ 02/03/2015	Common Stock	16,370

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BELTZ MICHAEL A 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Executive Vice President	President Utility Services

Signatures

Leigh Ann K. Epperson, Attorney
in Fact

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 5,893 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 5,893 shares of time-based restricted stock. The restrictions will lapse on 1,944 shares on each of 2/3/06 and 2/3/07, and on 2,005 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) 2,311 shares acquired through the Company employee stock purchase program; (b) 20,442 shares acquired by the exercising of vested employee stock options; (c) 1,000 shares purchased on the open market; (d) 21,000 out of an original 35,000 shares of restricted stock granted 9/1/00, which is fully vested; (e) 277 out of an original 6,277 shares of performance-based restricted stock granted 6/24/03, which is fully vested; (f) 4,904 shares of performance-based restricted stock

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granted 2/2/04, of which 0 shares are vested; (g) the new grant for 5,893 shares of performance-based restricted stock; (h) the new grant for 5,893 shares of time-based restricted stock; and (i) the new grant for 17,778 shares of time-based restricted stock.

- (5) The new option is for 16,370 shares, 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.

The total number of derivative securities beneficially owned includes: (a) an option for 15,166 out of an original 38,888 shares granted 7/24/98, which is fully vested; (b) an option for 26,515 out of an original 27,777 shares granted 12/1/98, which is fully vested; (c) an option for 16,668 out of an original 22,222 shares granted 5/7/99, which is fully vested; (d) an option for 76,999 out of an original 80,000 shares granted 9/1/00, which is fully vested; (e) an option for 22,448 out of an original 38,048 shares granted 6/8/01, which is fully vested, (f) an option for 35,723 shares granted 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; (g) an option for 32,419 shares granted 2/2/04, of which 10,698 shares vested on 2/2/05, 10,698 shares will vest on 2/2/06 and 11,023 shares will vest on 2/2/07; and (h) the new option for 16,370 shares.

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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