

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 *
 SZEFTEL IVAN 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 _____ 10% Owner
 Officer (give title below) Other (specify below)
 Executive Vice President / President Retail Credit Svcs.

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⁾	9,761 A (1)	63,602	D	
Common Stock	02/03/2005		A ⁽²⁾	9,761 A (2)	73,363	D	
Common Stock	02/03/2005		A ⁽³⁾	17,778 A (3)	91,141 (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)

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⁾	27,113	⁽⁵⁾ 02/03/2015	Common Stock	27,113

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SZEFTEL IVAN M 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Executive Vice President	President Retail Credit Svcs.

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 9,761 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 9,761 shares of time-based restricted stock. The restrictions will lapse on 3,221 shares on each of 2/3/06 and 2/3/07, and on 3,319 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) 14,000 out of an original 35,000 shares of restricted stock granted 6/7/01, which is fully vested; (b) 1,000 shares purchased on the open market; (c) 472 shares of performance-based

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restricted stock granted 6/24/03, which is fully vested; (d) 32,000 shares acquired by the exercising of vested employee stock options; (e) 6,369 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (f) the new grant for 9,761 shares of performance-based restricted stock; (g) the new grant for 9,761 shares of time-based restricted stock; and (h) the new grant for 17,778 shares of time-based restricted stock.

(5) The new option is for 27,113 shares, of which 8,947 shares will vest on each of 2/3/06 and 2/3/07 and 9,219 shares will vest on 2/3/08.

(6) The total number of derivative securities beneficially owned includes: (a) an option for 26,667 out of an original 111,111 shares granted 7/25/98, which is fully vested; (b) an option for 20,253 out of an original 22,222 shares granted 5/7/99, which is fully vested; (c) an option for 80,000 shares granted 9/1/00, which is fully vested; (d) an option for 38,048 shares granted 6/8/01, which is fully vested; (e) an option for 42,528 shares granted 6/24/03, of which 14,034 shares vested on 6/23/04, 14,034 shares will vest on 6/23/05 and 14,460 shares will vest on 6/23/06; (f) an option for 42,103 shares granted 2/2/04, of which 13,894 shares vested on 2/2/05, 13,894 shares will vest on 2/2/06 and 14,315 shares will vest on 2/2/07; and (g) the new option for 27,113 shares.

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.