

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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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 *
FINKELMAN DANIEL P

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 / Corp. Planning & Development

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 02/03/2005 | | A ⁽¹⁾ | 4,420 A <u>(1)</u> | 16,132 | D | |
| Common Stock | 02/03/2005 | | A ⁽²⁾ | 4,420 A <u>(2)</u> | 20,552 ⁽³⁾ | 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Employee Stock Option (Right to Buy) | \$ 41.32 | 02/03/2005 | | A ⁽⁴⁾ | 12,278 | ⁽⁴⁾ 02/03/2015 | Common Stock 12,278 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|------------------------------|
| | Director | 10% Owner | Officer | Other |
| FINKELMAN DANIEL P 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012 | | | Executive Vice President | Corp. Planning & Development |

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 4,420 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 4,420 shares of time-based restricted stock. The restrictions will lapse on 1,458 shares on each of 2/3/06 and 2/3/07, and on 1,504 shares on 2/3/08.
- (3) The total amount of securities beneficially owned includes: (a) 2,500 shares purchased in 2001; (b) 1,091 shares of restricted stock granted 6/24/03; (c) 621 shares of restricted stock granted 7/1/04; (d) 7,500 shares of restricted stock granted 7/14/04, of which 0 shares are vested; (e) the new grant for 4,420 shares of performance-based restricted stock; and (f) the new grant for 4,420 shares of time-based restricted stock.
- (4) The new option is for 12,278 shares, of which 4,051 shares will vest on each of 2/3/06 and 2/3/07 and 4,176 shares will vest on 2/3/08.
- (5) The total number of derivative securities beneficially owned includes: (a) an option for 42,000 shares granted 6/8/01, which is fully vested; (b) an option for 6,208 shares granted 6/24/03, of which 3,104 shares vested on 6/23/04 and 3,104 shares will vest in June 2005; (c) an option for 3,724 shares granted 7/1/04 which will vest in June 2005; (d) an option for 75,000 shares granted 7/14/04 which will vest on 7/14/07; and (e) the new option for 12,278 shares.

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