

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 *
 Carter Barry R

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)
 Information Technology Officer

DALLAS, TX 75252
 (City) (State) (Zip)

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

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) Price			
Common Stock	02/03/2005		A ⁽¹⁾	3,300 A <u>(1)</u>	5,881 <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)

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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				
							Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
							Code	V	(A)	(D)	
Employee Stock Option (Right to Buy)	\$ 41.32	02/03/2005		A ⁽³⁾	15,000	⁽³⁾ 02/03/2015	Common Stock	15,000			

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Carter Barry R 17655 WATERVIEW PARKWAY DALLAS, TX 75252			Information Technology Officer	

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).

The new grant is for 3,300 shares of performance-based restricted stock. The restrictions on 100% of the shares may lapse in February 2006 if certain Company financial targets are met. If the restrictions do not lapse in February 2006, the restrictions may lapse in February 2008 if certain performance standards are met.
- (1) The total number of securities beneficially owned includes (a) 2,500 shares of performance-based restricted stock granted 9/15/04, of which 0 shares are vested; (b) 81 shares acquired through the Company employee stock purchase program; and (c) the new grant for 3,300 shares of performance-based restricted stock.
- (2) The new option is for 15,000 shares, of which 4,950 shares will vest on each of 2/3/06 and 2/3/07 and 5,100 shares will vest on 2/3/08.
- (3) The total number of derivative securities beneficially owned includes (a) an employee stock option for 25,000 shares granted 9/15/04, of which 8,250 shares will vest on each of 9/15/05 and 9/15/06 and 8,500 shares will vest on 9/15/07; and (b) the new option for 15,000 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.