

ALLIANCE DATA SYSTEMS CORP
 Form 4
 January 05, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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)
01/03/2005

____ 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 Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	01/03/2005		<u>M</u> ⁽¹⁾	A	\$ 9	63,934	D
Common Stock	01/03/2005		<u>S</u> ⁽¹⁾	D	\$ 44.75	49,934 ⁽²⁾	D

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Edgar Filing: ALLIANCE DATA SYSTEMS CORP - Form 4

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

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.