

ALLIANCE DATA SYSTEMS CORP

Form 4

February 07, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(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

3. Date of Earliest Transaction
(Month/Day/Year)
02/03/2005

____ Director ____ 10% Owner
____X____ Officer (give title ____X____ Other (specify
below) below)
Executive Vice President / Corp. Planning &
Development

(Street)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

DALLAS, TX 75252-8012

(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. 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 Beneficial Ownership (Instr. 4)
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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(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)
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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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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