ALLIANCE DATA SYSTEMS CORP
Form 4
February 07, 2005

FORM 4

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

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
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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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
KUBIC MICHAEL D

(Last) (First) (Middle)

17655 WATERVIEW PARKWAY

(Street)

DALLAS, TX 75252-8012

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ALLIANCE DATA SYSTEMS CORP [ADS]

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

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) __X__ Other (specify below)
Vice President, Controller / Chief Accounting Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/03/2005		A(1)		2,500	A	(1)	16,700	D	
Common Stock	02/03/2005		A(2)		4,443	A	(2)	21,143 (3)	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)

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)		11,000		(4)	02/03/2015	Common Stock	11,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KUBIC MICHAEL D 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Vice President, Controller	Chief Accounting 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).

(1) The new grant is for 2,500 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.

(2) The new grant is for 4,443 shares of time-based restricted stock. The restrictions on 1,481 shares will lapse on each of 12/9/05, 12/9/06, and 12/9/07.

(3) The total number of securities beneficially owned includes: (a) 7,200 out of an original 12,000 shares of restricted stock granted 11/9/00, which is fully vested; (b) 2,500 shares of performance-based restricted stock granted 2/2/04, of which 0 shares are vested; (c) 4,500 shares acquired by the exercising of vested employee stock options; (d) the new grant for 2,500 shares of performance-based restricted stock; and (e) the new grant for 4,443 shares of time-based restricted stock.

(4) The new option is for 11,000 shares, of which 3,630 shares will vest on each of 2/3/06 and 2/3/07 and 3,740 shares will vest on 2/3/08.

(5) The total number of derivative securities beneficially owned includes: (a) an option for 6,611 out of an original 11,111 shares granted 10/29/1999, which is fully vested; (b) an option for 17,500 out of an original 26,500 shares granted 9/1/00, which is fully vested; (c) an option for 1 out of an original 12,603 shares granted 6/8/01, which is fully vested; (d) an option for 10,000 shares granted 6/24/03, of

which 3,300 shares vested on 6/23/04, 3,300 shares will vest on 6/23/05 and 3,400 shares will vest on 6/23/06; (e) an option for 11,000 shares granted 2/2/04, of which 3,630 shares vested on 2/2/05, 3,630 shares will vest on 2/2/06 and 3,740 shares will vest on 2/2/07; and (f) the new option for 11,000 shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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