

ALLIANCE DATA SYSTEMS CORP

Form 4

January 05, 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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
TUCKER DWAYNE H

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)

DALLAS, TX 75252-8012

3. Date of Earliest Transaction
(Month/Day/Year)
01/03/2005

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

____ Director ____ 10% Owner
____X____ Officer (give title ____X____ Other (specify
below) below)
Executive Vice President / President
Transaction Services

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 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	01/03/2005		M ⁽¹⁾		12,416	A	\$ 12 58,788
Common Stock	01/03/2005		S ⁽¹⁾		12,416	D	\$ 44.75 46,372
Common Stock	01/03/2005		S ⁽¹⁾		14,000	D	\$ 44.75 32,372 ⁽²⁾

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

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information contained in this form are not
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SEC 1474
(9-02)

displays a currently valid OMB control number.

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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 12	01/03/2005		M ⁽¹⁾	12,416	⁽³⁾ 06/07/2011	Common Stock	12,416

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TUCKER DWAYNE H 17655 WATERVIEW PARKWAY DALLAS, TX 75252-8012			Executive Vice President	President Transaction Services

Signatures

Leigh Ann K. Epperson, Attorney
in Fact 01/04/2005

**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 sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on November 11, 2004. The trading plan was established to sell up to 28,607 shares of the Company's common stock. Portions of the shares may be sold on specified dates or any time the stock achieves certain pre-arranged minimum prices and may take place beginning on January 3, 2005 and ending on February 15, 2005, unless sooner terminated. The Reporting Person will have no control over the timing of any sales under the plan and there can be no assurance that the shares covered by the plan actually will be sold. The Reporting Person entered into the plan for personal tax and financial planning purposes and will continue to have a significant ownership interest in the Company.
- (2) The total amount of securities beneficially owned includes: (a) 1,266 shares acquired through the Company employee stock purchase program; (b) 1,028 out of an original 35,000 shares of restricted stock granted 9/1/00, which is fully vested; (c) 24,982 shares acquired by the exercising of vested employee stock options; and (d) 5,096 shares of performance-based restricted stock

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granted 2/2/04, of which 0 shares are vested.

- (3) This is an employee stock option grant that is fully vested.

The total number of derivative securities beneficially owned includes: (a) an employee stock option for 115,000 shares granted 9/1/00, which is fully vested; (b) an employee stock option for 1 out of an original 81,917 shares granted 6/8/01, which is fully vested; (c) an employee stock option for 33,171 shares granted 6/24/03, of which 10,946 shares vested on 6/23/04, 10,946 shares will vest on 6/23/05, and 11,279 shares will vest on 6/23/06; and (d) an employee stock option for 33,682 shares granted 2/2/04, of which 11,115 shares will vest on each of 2/2/05 and 2/2/06 and 11,452 shares will vest on 2/2/07.

- (4)

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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